

per 5, 1937  
ne  
rs

# The NATIONAL UNDERWRITER

Life Insurance Edition

OFFICE  
UNITED STATES  
DEPARTMENT OF JUSTICE  
WASHINGTON, D.C.  
NOV 12 1937

B-40



FRIDAY, NOVEMBER 12, 1937

# Reminder for Budget Makers

When the time comes for you to decide on your 1938 advertising appropriation, and you are considering the insurance press, won't you please remember this:

A paper such as ours is not in competition with direct mail, local newspapers, the radio, billboards or such generally circulating magazines as "Time", or "The Saturday Evening Post". We perform an entirely different function. We serve insurance in a wholly different way.

Advertising in The National Underwriter should be designed primarily to create good will, to make your company well and favorably known, and to make it impossible for those in the insurance fraternity to say, "I never heard of that company". There are, of course, other sound reasons for insurance trade paper advertising, but they are of secondary importance.

Another fact for advertising budget makers to consider is that there is no successful business of importance that is not served by a vigorous, independent and competent trade press. Examine the conditions surrounding any dying or continuously unsuccessful business, and you will see that it has, knowingly or unknowingly, killed off its own trade press.

The place occupied by a properly managed trade paper is unique. A service giving weekly newspaper like The National Underwriter occupies a definite niche in the insurance scheme; one that is not filled by any other type of publication, and for which there is no substitute.

## *The* NATIONAL UNDERWRITER

*The leading Weekly insurance newspaper*

E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor

# The NATIONAL UNDERWRITER

Forty-first Year, No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 12, 1937

\$3.00 Per Year, 15 Cents a Copy

## Analysis Shows Life Production in Favorable Light

### Recovery From Depression Less Striking Because It Didn't Drop So Far

NEW YORK—Dissatisfaction that has been expressed over failure of life insurance production to achieve an improvement over 1936 and 1935 comparable with general business overlooks an important consideration in favor of life insurance. Comparison of life insurance production with general indices of national income, industrial activity, factory employment, department store sales and commodity price levels shows that a very large reason why life insurance is not making the same percentage recovery as other lines of business is that insurance production did not drop so far during the depression and that current production of life insurance is appraised against a record of past performance that is much harder to exceed than is the case for business generally, where activities in most lines plummeted.

The same situation applies within the life insurance business itself. It accounts for the apparently slower recovery made by industrial insurance as compared with ordinary, the true reason being that industrial, despite widespread unemployment, did not fall off to the extent that ordinary did during the worst of the depression. In addition to the fact that life insurance hasn't the same opportunity to make a spectacular comeback as other lines, the life picture is distorted by the swing to investment type policies and annuities. Figures of the Life Presidents Association and the Life Insurance Sales Research Bureau are based only upon insurance production. They do not include annuities, without which many life agents would have had a much tougher time than they did during the last eight years.

### Dollar Volume Should Count

Policies containing the insurance element, even though of the high-premium type bought primarily as a retirement annuity, are classed as insurance in the records. Obviously a fair comparison of life insurance production with national income, industrial payrolls or department store sales should take into account not the face amount of policies purchased but the dollar volume of sales, in other words, first year premiums.

Unfortunately, no organization assembles figures showing first year premium income month by month. Even if such figures were available there would still remain unsettled the proper interpretation of deferred semi-annual, quarterly, and monthly premiums. Should the volume of sales include the full annual premium even though only a fractional premium were paid on the purchase of the policy or should the sales volume include only cash actually paid?

One difficulty with production figures

## Elimination of Policy Loan Privilege Seen as Remote

### R. R. Lounsbury's Suggestion for Curbing Surrenders Believed to Face Insurmountable Obstacles

NEW YORK—Elimination, as a conservation measure, of the policy loan privilege, advanced several years ago by President R. R. Lounsbury of the Bankers National Life and Atlantic Life and reiterated by him more recently, is regarded as a highly remote possibility by actuaries, even though they sympathize with his objective of eliminating the policy loan as a breeder of lapses.

Even a modification of Mr. Lounsbury's plan which would permit the policyholder to lop off an amount from his policy equivalent to his cash reserve and then go on and pay the rate for his attained age on what remains of the contract is not regarded favorably. This is in effect what companies do under re-writing plans developed during the depression.

### Many Loans Never Repaid

Mr. Lounsbury's idea is based on the fact that a large number of policy loans, particularly maximum loans on older policies, are never repaid and the insured, seeing no prospect of repayment, gets tired of paying what he considers is 6 percent interest on his own money and drops the contract, thereby wrecking what he has taken years to build up. Mr. Lounsbury believes that if a policyholder were forced to give up his policy at once instead of deluding himself that he would pay back the loan before long he would realize the seriousness of his act and would not borrow except in a real emergency.

Those who do not agree with Mr. Lounsbury feel that even if such a plan were desirable it would be impossible to get very many states to change their laws to permit it and that public opinion would strongly oppose the plan.

### Unify Canadian Statements

TORONTO.—After extended work, the Ontario and Quebec departments have arrived at a form of annual return which is expected to be adopted by all provinces through the association of insurance superintendents. Until now the companies have had to make out a different statement for each province. The new draft includes all business classified by provinces. It also provides for classification of dividends on life policies, and for distinction between premium payments in cash and otherwise.

of any kind, whether based on face amount or premium income is that while they indicate the relative state of business activity in the institution as a whole they do not tell the whole story about agents' earnings, which are coming to be more and more recognized as an important factor in the business's state of health. Commissions are by no means a constant percentage of premiums any more than they bear a constant ratio to face amount.

## Life Insurance Counsel Meeting Program Announced

### Four Set Papers Are Scheduled for the Annual Gathering in New York

The annual meeting of the Association of Life Insurance Counsel will be held at the Waldorf Astoria, New York City, Nov. 30-Dec. 1. L. H. Cooke of the New York Life is president; Clyde P. Johnson, Western & Southern Life, vice-president, and Harry Cole Bates of the Metropolitan Life, secretary and treasurer. W. E. Monk, Massachusetts Mutual Life, is chairman of the executive committee. The following papers will be presented:

Alva M. Lumpkin, Columbia, S. C., chairman of the board and associate counsel American United Life, on "Are Presumptions to Be Accepted as Evidence or as Rules of Law for the Guidance of the Courts?"; W. C. Michaels, Kansas City, associate general counsel American Savings Life, on "Assignments of Policies to Prevent Removals"; Raymond Olson, counsel Mutual Trust Life of Chicago, on "The New Illinois Insurance Code"; E. O. Stanley, Jr., counsel Mutual Benefit Life, on "The Liability of Insurance Companies for Estate Taxes."

### American Bar Head to Talk

Besides these papers there will be an address from Arthur T. Vanderbilt, president of the American Bar Association. Mr. Vanderbilt was active in the organization of the insurance section of that association.

The committee on practice under community property laws, of which Berkeley Cox, Aetna Life, is chairman, will make a report which will be interesting and provocative to all members whose companies do business in the community property states.

## Advisory Council Considers Social Security Changes

WASHINGTON, D. C.—Changes in the social security act were discussed at a meeting of the Social Security Advisory Council here. Although the council met in executive session, it is understood that considerable attention was paid to the proposal to abandon the reserve plan in favor of a pay as you go method of financing pension payments. There is a growing belief that the needs of the pension program will not require a constant increase in taxes which will eventually reach 3 percent for both employer and employee under the present setup.

M. A. Linton, president Provident Mutual Life, and Matthew Woll, president Union Labor Life, represented insurance interests. Chairman A. J. Altmeier said that other changes considered include permitting persons who have reached 65 to continue to build up credits under the plan. Another proposed change would bring in groups now excluded under the law. The desirability of beginning payments before 1942, the present plan, was considered.

## Life Presidents' Program Has Much to Commend It

### Many Notable Speakers Both in and Outside the Business are Scheduled

NEW YORK—The program is announced this week for the annual meeting of the Association of Life Insurance Presidents to be held at the Waldorf-Astoria here Dec. 2-3. There are as usual outstanding men on the program, among the more notable being A. P. Sloan, Jr., chairman General Motors; Dr. Alexis Carrel, scientist; Dr. Thomas Parran, surgeon general, U. S. Public Health Service; Prof. C. O. Ruggles of Harvard, who is an authority on public utility management; J. Edgar Hoover, director of the Federal Bureau of Investigation, and Prof. O. R. Sweeney, head of the chemical engineering department of Iowa State College.

As usual, a prominent man in public life always comes from Canada. This year he will be C. A. Dunning, Dominion minister of finance. These constitute what might be termed the outside speakers or those not in the life insurance business.

### Life Insurance Speakers

The life insurance speakers are equally prominent and add great strength to the program. The Presidents Association is now gathering together data giving the latest available figures on the year's disbursements to policyholders and beneficiaries, life insurance in force, new business in 1937, how the business is meeting investment demands, what the records indicate with respect to current mortality trends. One report will deal with cash transactions, tracing incoming and outgoing life insurance funds since the beginning of the depression.

G. S. Nollen, president of the Bankers Life of Des Moines, will be the presiding officer. Another western president on the program is M. J. Cleary of the Northwestern Mutual Life, formerly insurance commissioner and also a former legislator in his state. He was president of the National Association of Insurance Commissioners during his term of office.

John R. Hardin, president Mutual Benefit Life, is called again to the platform after five years. At the former convention he presented a valuable paper dealing with life insurance cash transactions and disclosed the cumulative results of the operations of the business during the first three years of the depression. Now he will bring it down to date, reopening his former survey and extending data previously presented down to the current year. His address will make possible an analysis of incoming and outgoing life insurance funds for 1930 to 1936, inclusive.

The Presidents Association brings to its annual meetings a medical director and this year Dr. G. L. Christiernin of  
(CONTINUED ON LAST PAGE)

## Public Found Far Better Informed on Insurance

NEW YORK—The Equitable Society's public service section furnishes probably as accurate an index as there is to what the average policyholder knows about his life insurance, what he wants to know about it, and what he thinks about life insurance generally. This department of the home office cashier's division handles mail, phone and personal inquiries from policyholders in the greater New York City area. In its scope of operations, particularly as respects dealing with policyholders personally, it is unique among life companies.

In general it is found that members of the insurance-buying public are far better informed about their policies than they were say, a decade ago, that dissatisfaction due to misunderstandings is much rarer, that foolish or unreasonable requests occur much less frequently.

### Not Upset by Twisters

In view of efforts that have been made to disturb policyholders by individuals ranging from professional twisters to benign but misguided reformers, it is interesting to find that very little of this well-poisoning has had any perceptible effect on any of the 5,000 to 6,000 policyholders who call at the public service section during the course of an average month. When the trend of questions indicates the influence of muckraking literature on life insurance, the interviewer can readily sense what is on the policyholder's mind and can set him straight. Policyholders prove to be quite reasonable and not at all wedded to the fallacious notions that they have picked up.

The public service section has a personnel of 211 of whom 20 spend all their time interviewing policyholders who have questions in connection with their life insurance except about disability claims or group insurance. A large part of the section's work is conservation. In fact, the interviewers are rated on their ability to keep policies in force where a lapse is threatened. The section has a record of saving on the average well over half of these cases.

As might be expected, the section was at its busiest during the depression.

During 1933, the peak year for inquiries, about 10,000 interviews a month were handled, almost twice the present figure. Even now the 20 regular interviewers must frequently be supplemented by reserve men who are trained in interviewing but who, except during periods of peak activity, handle other work.

Work is extra heavy on Mondays and after holidays. Reserve men are also needed during the lunch hour, even though the regular interviewers space their luncheons out from 11:15 until 3 o'clock. There is always a noticeable increase in callers when a big convention is going on in New York City, as the Equitable policyholders take the opportunity to visit the home office even though they have no inquiries to make about life insurance. The public service section is certain to have considerably more work than usual in 1939, when New York has its world's fair.

### Telephone Calls Important

In addition to inquiries handled personally or by mail, telephone calls account for an important share of the section's work. It takes an extremely competent type of interviewer to handle telephone questions, not so much because of the greater knowledge demanded, but because people who telephone are generally more short-tempered and less inclined to be governed by the social amenities than when they are talking face to face. The man who telephones while balancing a chip on one shoulder has to be handled very diplomatically or his resentment, no matter how unreasonable, may become a fixed obsession with him and make him a center of influence in reverse.

Not long ago a bank president called up the home office and on being connected with the public service department proceeded to jump all over the interviewer because his loan check hadn't arrived. Taking the verbal brickbats with a smile, he got from the banker the necessary information and said he would check into the delay immediately and call him back. So adroitly did he handle the matter that when he called back with the desired information, the bank president told him that he had been so

impressed by his skill and tact that he had made it the subject of a lecture to the bank's employees on the vital necessity of treating customers courteously no matter how they might act. Obviously, such a favorable impression would make it easier for any Equitable agent who subsequently called on any of the bank's employees.

The home office cashier's department handles approximately 25 percent of the Equitable Society's entire business. Currently it receives about 45,000 remittances a month from policyholders in the greater New York area. While most policyholders send in their premiums by mail, a surprisingly large percentage pay over the counter at the home office. Last year in the New York area approximately 164,000 paid their premiums in person at the home office as against about 518,000 who mailed their remittances.

The greater degree of enlightenment reflected by the public service section over the last 10 years is of course due in part to a higher level of education among the agents. It is now comparatively rare to find a policyholder who mistakenly believes that his 20-pay life policy is a 20-year endowment. Another form of error far less prevalent today is the policyholder's belief that his policy will be paid up in a certain number of years even though he doesn't leave his dividends to accumulate as he originally planned. Also relatively rare is failure to understand why interest on reinstated policies is charged for the grace period even though no interest would have been charged if the premium had been paid before expiration of the grace period.

### Expect N. J. Commissioner Change

Commissioner C. K. Withers of New Jersey has been elected a director of the Lincoln National Bank of Newark, and is expected to be made president some time before his retirement as head of the New Jersey department. He succeeded as commissioner Col. W. H. Kelly, who is quite generally expected to return to that post under A. Harry Moore, just elected governor.

### Hold Supervisors School

The Connecticut Mutual Life will start a two weeks' training school for supervisors in Indianapolis next week with the Jones agency as host. Fred O. Lyter, assistant agency director, and Edward C. Anderson, educational director from the home office, will conduct the course, 11 supervisors attending.

## Retirement Plans of the Lincoln National and Western & Southern

The establishment of a retirement income system for home and branch office employees of the Lincoln National Life has been arranged. The plan is designed to supplement the old age benefits guaranteed under the federal social security act.

This retirement system will apply to employees 35 years of age and older, and will become effective on Jan. 1, 1938. The plan is based upon years of service and salary after Dec. 31, 1937. Approximately 225 employees will be included in the plan at the start.

The company will also set aside over a period of years, approximately \$217,000 to provide supplemental annuities for older employees based upon their service prior to Jan. 1, 1938. This move makes possible a reasonable retirement income for those of its employees now nearing retirement age.

### Plan Is Contributory

The plan is to be a contributory one, but the company will pay more than half of the charges. The employee assessments will be approximately 2 percent of the first \$3,000 of annual salary and 5 percent of all annual salaries above \$3,000. All of the administrative expenses of the plan are being borne by the company. The system will cover employees from age 35 to age 65. Retirement age is 65 years for both men and women. The total old age retirement income of an employee entering the system at age 35—supplemented with social security payments—will be from 65 percent to 81 percent of his annual salary. Retirement income is governed by the amount of salary, length of service, and age of each individual. While retirement age is set in the plan at age 65, employees have the option of retiring at any age past 60.

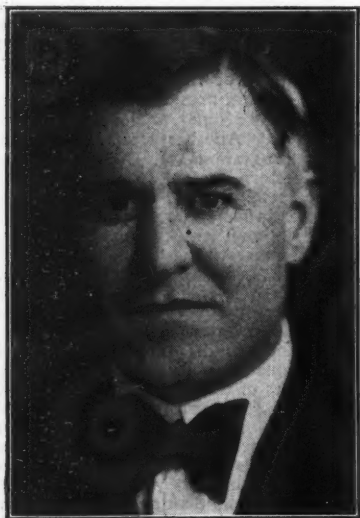
### Administrative Committee

Should an employee die before reaching retirement age, the total amount of his contributions will be paid to his beneficiary. The employee's contributions under this plan are returned to him should he leave the employ of the company.

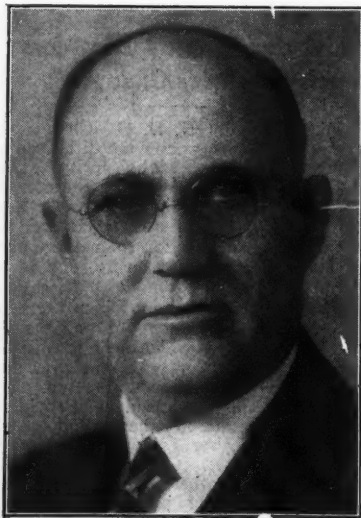
This plan ties in with the other employee benefits already furnished by the Lincoln National which include group

(CONTINUED ON PAGE 17)

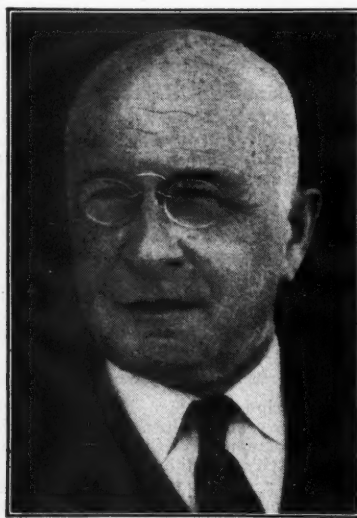
## SPEAKERS FOR LIFE PRESIDENTS ASSOCIATION



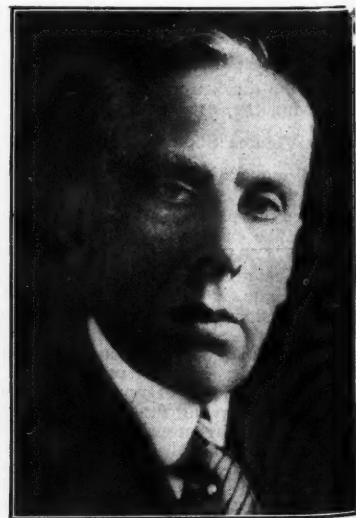
PROF. O. R. SWEENEY, Ames, Ia.



PROF. C. O. RUGGLES, Cambridge



DR. ALEXIS CARREL, New York



ALFRED P. SLOAN, JR., New York

Four of the outstanding speakers before the Association of Life Insurance President convention this year will at-

tract attention. Prof. O. R. Sweeney is head of the chemical engineering department of Iowa State College. Prof. C.

O. Ruggles of Harvard is an authority on public utility management. Dr. Alexis Carrel is a world famous scientist, A. P.

Sloan, Jr., is chairman of the board of General Motors and a business and financial leader.

## California Freed of Buccaneers in Insurance Field

**Commissioner Carpenter Points with Pride to Work Done in Recent Days**

HOLLYWOOD, CAL. — Declaring that "the citizens of this state must be able to deal in insurance with the utmost confidence and faith, and people of other states must look upon our California insurance companies as examples of the finest in protection and usefulness and service," Commissioner S. L. Carpenter, speaking at the annual convention of the California Association of Insurance Agents, reiterated his determination to see to it that the insurance business is respected and respectable in the eyes of the public.

"When I took office some two years ago," he said, "a list of dead beat insurance companies (mostly life) was published by the Business Men's Association of Rochester, N. Y. Nearly 50 percent of that list bore California addresses. If they do not republish that list pretty soon I am going to request them to do so, for the shame which was California's has disappeared or if not entirely out of sight, I pledge you it soon will be."

### Insurance Crooks in Jails

"Several insurance crooks now grace our best jails, others have departed for greener and more attractive pastures. To me the air seems cleaner, and the air conditioner is still working."

"Two years ago I told you that we would have to fight for those ideals we sought. I told you that I would be attacked in various and sundry ways by those seeking special privilege and those not in sympathy with our ambitions. Was I right? You have seen me charged of dishonesty, of conspiracy, of almost everything that is bad. You have seen the courts besieged to declare me ineligible for office. You have seen charges against the attorney general, who has stood behind me like a rock, you have seen judges reviled and insulted because of decisions made in our favor, you have seen honest men who are giving of their time and effort, in many instances without pay, called brigands, conspirators and other vile names. Everyone who agrees with us must stand this abuse. Even legislative committees who, after honest investigation, could not carry out the wishes of certain influential politicians have been subjected to political spankings and personal revilement."

"Has it been worth the price? I will say it has, both to me and to the insurance interests of California. The National Association of Insurance Commissioners passed a resolution recommending our Pacific Mutual Life plan as the finest example of life insurance reorganization in the history of the business." That the Pacific Mutual reorganization took so much time and thus forced suspension of plans he had for the betterment of evils in the production end of the business, was a source of disappointment to him, said Commissioner Carpenter, expressing himself as being in accord with the agents' efforts to raise the standards of the business. "I trust," he said, "that coming months will permit the fruition of this work."

"You are the ones who stand between the insurance carrier and the public," said the commissioner. "John Citizen may never have any impression of the insurance business other than that which you give him, and I am exceedingly anxious that that impression be a good and a favorable impression. You must

## Has Cleaned House



S. L. CARPENTER, JR.

Insurance Commissioner Carpenter of California, in an address before the California Association of Insurance Agents in annual convention at Hollywood, pointed with pride to the housecleaning that had been done in his state during the last few years. He is largely responsible for running the pirates out of the state.

know your business. You must be honest, conscientious and sincere. You owe these things to your business and besides it pays. The best insurance companies in the world, operating under the finest of state supervision, will still be discounted in the eyes of the public unless you do your part."

## Sees Danger of "Wildcatters" Without Mortgage Bank Law

**W. P. Barker Testifies Laws Needed to Restrain Irresponsible Operators if Boom Comes**

NEW YORK—Unless state legislation providing for a system of mortgage banks is enacted, a real estate boom would very likely result in establishment of corporations similar to mortgage banks but without any state restrictions or supervision and run by "wildcat" operators, W. P. Barker, former chairman State Mortgage Commission, testified before the joint legislative committee on guaranteed mortgages here.

The collapse of the guaranteed mortgage companies in New York during the depression has left this section without normal facilities for borrowers who want to build or buy homes and without the important investment for the mortgage investor that the guaranteed mortgage companies used to provide. The life companies, the savings banks and the federal government have filled such demand as has existed but building activity can hardly be said to have reached boom proportion.

### No Restrictions Now

Mr. Barker, who recently incorporated the First Real Estate Debenture Corporation of New York, which has restrictions almost identical with those in the mortgage bank law, pointed out that under the present law there is nothing to stop anyone from forming a similar corporation but without the same restrictions. The serious possible consequences were mentioned by State Senator Lazarus Joseph, chairman of the committee. Mr. Barker said he hoped the corporation he sponsored would become a mortgage bank.

## Labor Board to Hold Conference on Union Issue

**C. I. O. Organization Holds Demonstration at Metropolitan Life Home Office**

NEW YORK—The National Labor Relations Board has arranged to hold a conference here with the Metropolitan Life and with the C. I. O. industrial agents union which has filed charges with the board that the Metropolitan has violated the labor practices law on two counts. The conference is scheduled for late this week, according to the board.

Last week more than 1,000 agents affiliated with the industrial union, staged a noon-time demonstration at the Metropolitan home office, marching several abreast in a continuous parade around the block occupied by the main building. The union asserted that most of the men were Metropolitan agents the rest being mainly from the Prudential and John Hancock.

### Exchange of Letters

The demonstration was staged in answer to a letter sent by President L. A. Lincoln to the Metropolitan's 2,400 agents in New York City, which the union interpreted as a veiled threat that the company would cease the sale of insurance and operate through its branch offices only on an over-the-counter basis. Previously the union had written to Mr. Lincoln asking recognition and received a reply to the effect that the company was ready to meet with its agents at any time. This reply was not satisfactory to the union.

The union's complaint against the Metropolitan to the labor board is that the company has refused to recognize it as the sole collective bargaining agency though the union claims a membership of 2,100 out of the 2,400 agents; and that the company discharged an agent because of union activities.

The conference that has been arranged for this week is an entirely different matter from a National Labor Relations Board hearing. A conference like the one scheduled is merely an informal affair, designed to reach a settlement without resort to drastic measures. Relatively few of the complaints brought before the labor board result in hearings, by far the greater percentage being settled by a conference or series of conferences resulting in a solution acceptable to both sides.

Under the national labor relations act there are five "unfair labor practices." These are interference with or coercion of employees in exercise of their right to organize; domination of or interference with formation or administration of any labor organization or contribution of financial or other support to the union; discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization; discharging or otherwise discriminating against an employee because he has filed charges or given testimony under the labor act; refusal to bargain collectively with the representative of employees.

### No Comment to Make

No comment on the union situation beyond this brief statement by F. H. Ecker, chairman of the board, was made: "As it is our understanding that complaint has been filed with the National Labor Relations Board, which complaint will be the subject of a hearing at some future date, we feel it would be inappropriate at this time for us to make any comment."

## It's Recruit Advertising, Too

National magazine life insurance advertisements, weekly and numerous appearing, are read by millions who have confidence in and respect for the life companies,—their depression experiences, and those of family members and of friends and neighbors, generated their faith and their friendliness. A constant large number of readers, some young, some older, have not yet chosen their vocation or else desire to change it. These splendid advertisements impress them and attract them to a prosperous business whose salesmen are advertisingly supported.

Many General Agents, and other recruiters, show, and use, in their prospecting for recruits, and in their candidate interviews, these powerful visual appeals to the vocational taste, the service impulse, and the profit motive of life underwriter prospects. Life insurance national advertising is recruit, as well as name and sales advertising.

**THE PENN MUTUAL LIFE INSURANCE CO.**

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

## More Men Prosper

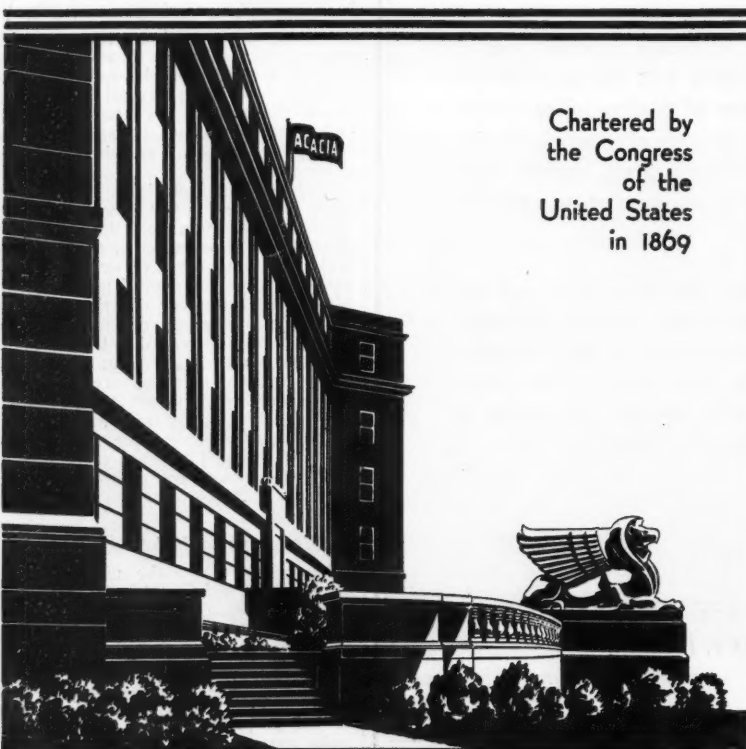
**W**HEN an agent qualifies for the William Montgomery Quality Club we know he is making money for himself and for his Acacia—and that is the only kind of agent who permanently stays in the business. There was a 24% increase in number of Club members January 1st, 1937, over the year previous. As of July 1st this year, Acacia had the *largest number of Club members to date*—43% of our representatives are already members and more are on the way to membership. It pays to work for Acacia.

## ACACIA MUTUAL LIFE INSURANCE CO.

Wm. Montgomery, President

Washington, D. C.

Write for a copy of "A Lifetime of Progress for You," which includes an explanation of the unique Acacia continuous renewal income and bonus contract.



Chartered by  
the Congress  
of the  
United States  
in 1869

### Washington Commissioner in Invitation to Companies

**Tells Seattle Lawyers New Code  
Has Advantages for Carriers  
Seeking Place of Domicile**

SEATTLE—A frank invitation to middle western insurance companies to emigrate to Washington was delivered by Commissioner W. A. Sullivan in an address before the Seattle Bar Association on the Washington insurance code. His talk dealt mostly with four amendments to the code passed by the last legislature: reduction in premium tax on domestic companies, agents' qualification law, strengthening requirements for reciprocals, and divorce of holding companies from mutual life companies.

The tax on insurance premiums of domestic companies was reduced from 2 1/4 percent to 1 percent. Mr. Sullivan stated the object of the tax originally was to finance cost of the insurance department. The insurance business has grown, and the tax with it, far out of line with the original intent, the insurance department being allotted only 6 percent of the proceeds for operating expenses.

#### Not Premium Hungry

This reduction, declared Mr. Sullivan, shows that the state of Washington is not hungry for taxes and also that the state, in contrast to other states which are seeking to raise insurance taxes for additional revenue, will welcome companies now domiciled in the "drought area of the middle west."

The new agents qualification law requires a written examination of each applicant for an agent's license. Additional requirements undoubtedly will be imposed in future, Mr. Sullivan expects. The announced intention of the department is to raise the standard of insurance to as high a mark as possible and as quickly as reasonably can be done.

Washington, he declared, is one of the first states to adopt such a law and many states are preparing to follow its lead.

#### Mutual Law Strengthened

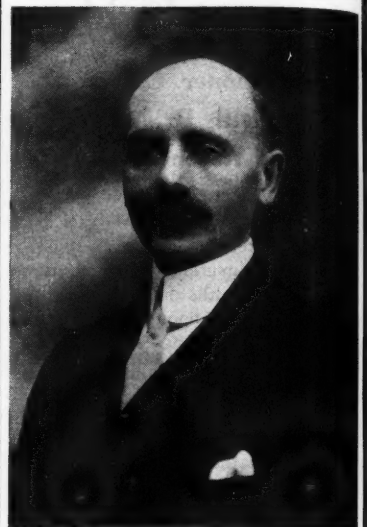
The new mutual life law, he concluded, makes mutual companies truly that by outlawing holding companies which owned or controlled mutual insurers. It prohibits any mutual life company from entering into a management contract which would in effect surrender control to a private corporation. The law also strengthens the requirements for the formation of mutual life companies and sets up a higher standard of reserve basis for them.

Recalling former Governor Landon's radio speech, in which he pointed to the New York insurance code enacted after the Armstrong investigation of 1905-06 as well considered and ideal legislation, Mr. Sullivan reminded his audience that the Washington code, passed in 1911, was modeled on the New York laws. The code, he declared, is one of the best in the country and the high standing of companies domiciled in Washington is adequate proof of this. One of its best features, according to Mr. Sullivan, is that an annual examination is mandatory as regards domestic companies, but the expense is borne by the department and not by the insurance company.

### Noted Newspaper Writer in Comment on Policy Selling

Possibility that Life Insurance Week may be dropped or modified is discussed by M. S. Rukeyser, International News Service financial writer in a syndicated article printed in many American newspapers. He says it is absurd to assume any single week in the year is Life Insurance Week; that every week should be Life Insurance Week for those who

### Guardian Life Field Force Establishes New Mark



CARL HEYE

The Guardian Life field force honored President Carl Heye in October. There was a new mark established on new lives insured in a single month. Vice-president James A. McLain personally directed the operations from the home office and Superintendent of Agencies Frank Weidenborner was in the field. There was a national quota fixed on number of new lives which final results show was 101.9 percent achieved. The New York City metropolitan district set the pace with 111 percent, followed by the western district with 106 percent. Each agency in the metropolitan district exceeded its assigned quota.

Outstanding agency performances were recorded by New York (Leyendecker-Schnur), national leader in both lives and volume; New York (Eisen-drath) and New York (Doremus-Haviland), tied for runner-up honors in lives production and ranking second and third respectively in volume; Fargo, fourth in lives; New York (Bragg), fourth in volume; St. Paul, fifth in lives, and Brooklyn (Warshauer), fifth in volume.

The large number of individual producers fulfilling the minimum requirement of eight submitted lives to earn 10 points toward membership in the President's Club were headed by R. A. Trubey of Fargo, leader in lives, and L. R. Nicholas of Jacksonville-Columbus, leader in volume.

need policies. "The worst possible reason for buying a policy was to please an agent who was trying to make a showing in relation to his sales quota," the writer states.

"Many observers, including this writer, believe that high selling pressure is one of the principal curses of the business. Bad selling is expensive and wasteful. Experience, especially during depression years, indicates that high pressure selling is inevitably followed by a high ratio of policy lapses by reluctant or ill-financed buyers."

#### Concentration on Insured

He feels that with less emphasis on a special week's effort life insurance will be more cheaply and effectively distributed and agents will forget their own immediate interests and concentrate on specific financial needs of their policyholders.

"The cost of selling will also decline when the reputation of agents is improved," he commented. "Since the life underwriter first became an unwelcome symbol, many companies have enormously improved their technique for selecting and training agents, but the public has not yet fully recognized the change."

## Prospecting Is Not Merely Making List of Names

### Sales Research Bureau Man Tells Chicago Association Some Fundamentals

Prospecting is a job of looking for situations and not merely of collecting names, J. H. Jamison of the service staff, Sales Research Bureau, told the Chicago Association of Life Underwriters at the November meeting. It is the subtlest kind of selling, he said.

Everybody wants to have life insurance, but only a small percentage want to buy it now. He questioned whether the agent's job primarily is not simply that of finding the few who want to buy.

Mr. Jamison estimated there are 2,000,000 life insurance prospects in Chicago. He said \$309,000,000 was sold in Chicago in the nine months ended Sept. 30, to approximately 100,000 purchasers. Thus one person in 20 bought a policy in the period.

#### Illustrations of Methods

Mr. Jamison quoted Frank Pennell of the Mutual Benefit in New York: "Prospecting is getting news about people." He gave illustrations of various methods, mainly how to secure referred leads.

One question to ask a nominator, Mr. Jamison said is, "Will you give me the names of three persons who could write their check for \$50 and not be embarrassed?" Another well known plan that is working for many agents is the "most promising young man" one. Business chiefs appear to be glad to pay recognition to young men who are coming along well. When a name is thus secured, Mr. Jamison said, it pays to secure the signature of the nominator below the name, as this can be shown in the approach later and the entree made easy.

#### Salesmen Good Prospects

Salesmen are profitable to cultivate in these times, he said. They make money and as a class are improvident.

"I'll gamble I can get the names of the leading salesmen of any industry by calling on the telephone," Mr. Jamison said.

The wife of an agent as a prospect searcher can "run rings around the agent," he said. She gets all the neighborhood gossip about salary increases, bonuses, inheritances, etc. The luncheon table is another good place to prospect. He said every old man in an agency should schedule two luncheon appointments a week, and every new agent, three. It is unprofitable to lunch with other life agents, Mr. Jamison said. Another method is to show nominators lists of possible prospects and ask them to qualify the names as to income, insurability, needs, etc.

#### Millionaires Honored

F. J. Bray, Thurman general agency New England Mutual, introduced Mr. Jamison, who was a successful advertising man and life agent before joining the Research Bureau. A. E. McKeough, Penn Mutual, association president, introduced Chicago "millionaires." These included: Lee Alberts, Dick Hanly, John Morrell, Harry Steiner, H. T. Wright, James McNamara and Louis Behr, Equitable Society; Paul Cook, Mutual Benefit; S. H. Foreman and R. M. Hirsch, Mutual, N. Y.; Walter Hiller, Samuel Kahl and Herman Kramer, Penn Mutual; Albert Lanphear, independent; Ken Nickell, Connecticut General, and M. D. Vail, H. S. Vail & Sons.

Plans for the "Chicago Day" sales congress Dec. 10 were outlined by J. H. Sherman, Penn Mutual. The program will be novel, portraying development of "John Q. Agent" from prospective to successful agent.

## Broad Authority of Illinois Insurance Director Viewed

### Chicago Lawyers Club Hears Northwestern University Law Faculty Man on Subject

Broad powers granted the director of insurance under the new insurance code of Illinois were pointed out by H. C. Havighurst of the law faculty of Northwestern University in a paper before the Chicago Life Insurance Lawyers Club. These powers, Mr. Havighurst stated, have been the basis of some of the criticism by the companies on the ground that in the future an incompetent, politically-minded or corrupt director might abuse them. This criticism, together with doubts as to the constitutionality of certain powers conferred, resulted in a number of provisions being cut down or hemmed with safeguards before the code was passed.

#### Powers of Director

As the code stands, according to Mr. Havighurst, the director may pass on policy forms to determine whether they contain inconsistent, ambiguous or misleading clauses; examine persons or firms promoting insurance companies, holding their shares for the purpose of controlling the management or holding exclusive agency contracts; determine whether the investments of foreign or alien companies afford the required degree of financial security; examine officers of a company, under penalty of liquidation if a domestic company or revocation of license of a foreign company; pass on motor vehicle and fire insurance rates and make rules and regulations for making the insurance laws effective.

He has the sole power to approve exclusive agency contracts, may subpoena witnesses for examinations, investigations and hearings and has broad investigating power. This is balanced to some extent by requirements for hearings in many cases where a hearing was formerly only a privilege. All orders and decisions of the director are reviewable in the courts, except orders requiring a deficiency of assets be made good. An added safeguard is found in the provision that although a transcript of the record of an administrative hearing is to be brought before a reviewing court, additional evidence may be introduced.

#### Warranties and Representations

Mr. Havighurst discussed at some length the section in the code covering misrepresentations and false warranties. He pointed out that the code now recites that no misrepresentation or false warranty shall defeat a policy unless it is made with actual intent to deceive or materially effect either the acceptance of the risk or the hazard assumed by the company. There is some ground for the belief that this may change the test of materiality, which in Illinois had previously been very favorable to the assured. Mr. Havighurst expressed the opinion, however, that the courts will hold that it does not. In case of warranties, there is a change favorable to the assured, as the previous Illinois doctrine had been that a false warranty would void a policy even though it might be innocently made and might not be material to the risk.

#### Voluntary Liens Out

An important provision in the code, according to Mr. Havighurst, is the section prohibiting domestic life companies from entering into agreements with policyholders waiving or modifying standard provisions unless the agreement is approved by the court in a rehabilitation proceeding.

Mr. Havighurst criticized the provision exempting cash values of life insurance policies from claims of creditors of the assured, on the ground that some

(CONTINUED ON LAST PAGE)



"The Signing of The First National Annual Thanksgiving Proclamation, 1863," painted by Dean Cornwell. Copyright 1937 The Lincoln National Life Insurance Company.

# Design for Thanksgiving

MAKE sure now that when the autumn of *your* life comes you'll be prepared to declare a *personal* Thanksgiving. That's one of the fine features of the Lincoln National Life Salary Continuance Plan. At retirement age, you find yourself financially independent! A "salary" is paid to you each month for the rest of your life. You are free to enjoy yourself without work or worry. When you die, a "salary" is paid to your family. And remember that this excellent plan requires but modest deposits—is generous in its terms. Fill out the coupon *now*—mail it *today*—and get the facts. Inquiries involve *no* obligation.

## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, IND.

Reprint of an advertisement in the November 27th issue of The Saturday Evening Post.

### MAIL THIS COUPON

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY  
Fort Wayne, Indiana, Dept. S-11

If I put aside \$5 ☐, \$10 ☐, \$15 ☐, or \$ every week in the Lincoln National Life Salary Continuance Plan, how much income will you pay me beginning at Age 55 ☐, or Age 60 ☐, or Age 65 ☐?

Name

Address

City and State  Present Age

## Personal Holding Company Tax Hits Some Carriers

### Capitalists Have Been Interested in the Possibility of Investing in Insurance

Wealthy operators who have looked into the possibilities of forming insurance companies as a means of escaping the federal undistributed profits tax run afoul of some obstacles. It is not by any means a matter of saying presto chango and turning investment trusts into tax exempt insurers.

The treasury department is ruling that an insurance company, the majority of whose stock is held by five or less individuals and at least 20 percent of whose profits does not come from underwriting operations, falls in the personal holding company class so far as federal taxation is concerned and does not enjoy the usual insurance exemption.

Although the federal statute does not refer to insurance companies, it defines a personal holding company as one that is owned in its majority by five or less individuals and which gets 80 percent or more of its profit from investments. The

treasury department, as a practical matter, is applying that statute to insurance companies. It does no good to spread the stock among different members of a family in order to increase the number of majority stockholders. The family is held to be a unit.

It would be very difficult for a new insurance company to get 20 percent or more of its profit from underwriting operations.

At one time, soon after the undistributed profits tax law was enacted, considerable discussion was heard as to the possibility of investment trusts and wealthy individuals converting their holdings into insurance company portfolios in order to escape the tax, but the federal restrictions are quite a deterrent.

### Seeking to Purchase Companies

There have been a number of men in the promoting field who have made the rounds endeavoring to ascertain whether insurance companies of any character can be bought. Many of them claim to represent eastern sources of unlimited capital. The persons seeking information about companies say that their clients desire to buy a fairly large company or a number of small ones and have them combined. They do not seem to care whether they are fire, casualty or life institutions. The supposition is that there may be capital in the east

that is seeking some form of investment where the effect of the federal tax is not so vehement. Insurance companies are exempt from the tax on undivided profits. So far nothing seems to have materialized from these visits. It is natural to suppose that capital is seeking a channel where its profits will not be shorn so closely as in most lines of business. Insurance at this time might seem a very attractive field.

### Taylor New Publicity Head

A. K. Taylor, advertising and publicity manager United States Life, has been appointed publicity manager for the American International Underwriters which was organized in 1926 by C. V. Starr, president United States Life.

In 1920 Mr. Taylor became advertising manager for America Fore, later becoming head of the public relations division of the National Board of Fire Underwriters. At the invitation of Mr. Starr he went to the Orient, spending four years obtaining practical experience in underwriting and agency development work. Upon his return he went with the National City Bank, working in the insurance trust field.

Cash in on social security with a benefit slide rule. Gets business. \$1. Order from National Underwriter.

## Made a Director



DR. W. E. THORNTON

Dr. W. E. Thornton, second vice-president and medical director of the Lincoln National Life, was elected on the board succeeding E. C. Wightman, former vice-president and controller, who resigned some months ago. He has been connected with the Lincoln National for 16 years, having joined it in 1921 as assistant medical director. He is chairman of the Medical Section of the American Life Convention and last month was elected to his third term on the executive council of the Medical Directors Association.

## NEWS OF WEEK

Production of new life insurance more favorable than the statistics indicate. analysis shows. Page 1

Program is announced for the annual meeting of the Association of Life Insurance Presidents. Page 1

Annual meeting of the Association of Life Insurance Counsel will be held in New York City, Nov. 30-Dec. 1. Page 1

Suggested elimination of policy loan privilege believed to present insuperable obstacles. Page 1

Commissioner Carpenter of California in an address before agents at Hollywood calls attention to the housecleaning which has been done in California insurance-wise. Page 3

Luncheon will be given in honor of the insurance commissioners at the mid-year meeting in New York City. Page 15

Companies of midwest invited to settle in state of Washington by Commissioner Sullivan. Page 4

Labor board schedules conference on industrial agents' union. Page 3

Lincoln National Life announces the establishment of a retiring income system. Page 2

Public knowledge of life insurance has increased greatly in the last 10 years. Equitable Society finds. Page 2

Laws on mortgage banks declared to be a necessity to head off "wildcat operators" in New York. Page 3

William Breiby of Packler & Breiby of New York City, consulting actuaries, has been made a vice-president of the Pacific Mutual Life. Page 12

Receivership proceedings for Roman Standard Life of Manistee, Mich., are started. Page 8

Demand for policy adjustments by relief recipients down to one-third of peak figure. Page 13

Modern Woodmen officials held conference with the new Missouri superintendent looking toward the restoration of its license in that state. Page 8

# RINGS THE CASH REGISTER



One of a series—Giving facts about the Fidelity.

Two sounds of the greatest interest to merchants—the thud on the floor as new goods come in and the tinkle of the cash register as they go out. Two sights—of greatest interest to Fidelity agents—the last view of his prospect list bound for the Head Office and the first view of the lead cards returned.

Over a period of twenty-one years, Fidelity agents have averaged a lead return of nearly 17% and have written directly upon these leads nearly a quarter of a billion dollars of life insurance plus a large volume of annuities. The collateral returns are immeasurable.

Fidelity's "Book Lead" service is now of age and is still the most profitable avenue of sales approach of which we know. Coupled with the "Income for Life" plan originated by the Fidelity thirty-five years ago, it offers Fidelity agents a potent and resultful appeal.

The average size of policies written on "Book Leads" in 1936 was about 20% greater than the average size of all policies issued. The first year premium value of each name circularized was over twenty-eight times the cost to the agent for its circularization.

*The* **FIDELITY MUTUAL LIFE**  
**INSURANCE COMPANY**  
**PHILADELPHIA**  
WALTER LEMAR TALBOT, President

## Presiding



EMMETT RUSSELL, Nashville

Emmett Russell, Jr., ordinary underwriter of the Life & Casualty of Nashville, is presiding this week over the meeting of the Southern Home Office Underwriters at Birmingham, he being its president.

## Commissioner Ham Plans Special Facilities for Trip to New York Meeting

A. J. Ham, insurance commissioner of Wyoming, is promoting a special car or cars to leave Chicago at 2:45 p. m. Nov. 27, via the New York Central for New York City for the mid-year meeting of the National Association of Insurance Commissioners. Commissioner Ham has written to the various commissioners and company executives in the far west suggesting that they converge at Cheyenne, Nov. 26, leaving there at 8:20 a. m., arriving in Chicago at 8:42 a. m., Nov. 27. The Union Pacific and New York Central are cooperating in arranging for the trip. In this way there will be a through car from Cheyenne direct to New York City.

## Can Contest on Ground of Fraud

WASHINGTON, D. C.—The United States Supreme Court refused to review a decision of the fourth circuit court of appeals that the incontestability clause in a life policy does not vitiate the fight of a company to claim fraud as a defense against liability under disability clauses, rejecting an appeal of H. M. Deem in his suit against the Equitable Society.

The petitioner brought suit for recovery of disability benefits, relying on the incontestability provision. The company contended that the policy never took effect because the plaintiff was not in good health at the time he made application and that in the application he made false answers to questions asked therein. The court of appeals held the incontestability clause did not apply to the disability features of the policy so as to preclude the insurer from relying on fraud in procuring the policy as a defense.

## Bankers Life Leaders

Top 10 Bankers Life of Iowa salesmen for October were, in the order named: G. A. Specht, Minneapolis; W. T. Leverett, San Antonio; W. H. Deppey, Cedar Rapids; V. S. Eagan, Des Moines; A. M. Cannon, Salt Lake City; D. G. Ball, Madison; C. J. Pointer, Chippewa Falls; R. F. Schoenback, Cleveland; B. H. Demarest, Grand Rapids; and T. J. Curtin, Pittsburgh. The 10 leading agencies were San Antonio,

## Legislative Committee Is on Probing Expedition

### California Contingent Endeavoring to Trap Commissioner Carpenter in Pacific Mutual Move

LOS ANGELES—An assembly interim committee on government efficiency is investigating the conduct of the California insurance department in the handling of companies it took over. At one of the sessions there was a spirited controversy between Commissioner Carpenter and W. H. Neblett, counsel for the committee. It arose over the stock of the Pacific Mutual Life which the commissioner holds as trustee. The issue switched to the legality of the issuance of the stock permit and finally the duty of the commissioner in notifying policyholders of the proceedings whereby the company was taken over by the new Pacific Mutual. Commissioner Carpenter stated that he intended holding all the Pacific Mutual stock until such time as conditions warranted any action. Furthermore he had prepared some of the code amendments passed by the legislature and defended his action in issuing the stock permit in the Pacific Mutual case. He declared that he did not consider it his duty to notify policyholders that an appeal had been taken from the ruling of Judge Willis, approving the rehabilitation plan.

## Green Starts Fireworks

Former Vice-president W. C. Green of the old company started some fireworks when he made an attack on Vice-president Asa V. Call, who is credited with being the main factor in bringing about a reorganization. Former President George I. Cochran stated that he had asked the directors to make Mr. Call a director and later general counsel. While Mr. Green criticized some of the other officers for making certain loans on cross-examination he admitted that he had approved of them.

## President Kemp on the Stand

Chairman Millington of the assembly committee ruled during the hearing that its members would hear nothing more except testimony showing alleged irregular transactions that the insurance commissioner could or should have known, or anything that contributed to insolvency. President A. N. Kemp on the stand related how he became associated with the Pacific Mutual and said that the noncancellable disability deficiency condition was called to his attention when the 1935 financial statement was being prepared. A special committee of the board was appointed to handle the situation and take remedial measures. He said the executive committee was advised every week concerning it and as a result conditions showed an improvement.

Des Moines, Cedar Rapids, Pittsburgh, Minneapolis, Madison, Chicago, Spokane, Cleveland and Mason City.

## Canada Life Observes Some Anniversaries

This is a year of birthdays for the Canada Life. On Aug. 21, 1847, the company was established in Hamilton, Ont. A second anniversary fell on Nov. 9, on which date 90 years ago the first policy was issued. This was on the life of Hugh C. Baker, founder and first president, who at the time was only 30 years of age. The policy was for £500, the pound then having a value of \$4. The capital was shown as £50,000.

Latest figures show that the company has paid to policyowners, annuitants, and beneficiaries, or held in trust for them more than \$600,000,000—a sum which exceeds the total premiums received by over \$50,000,000.

Full-page advertisement appearing in Saturday Evening Post, November 6th, and Time, November 22nd.

## Bringing life underwriting to its highest PROFESSIONAL expression

● Pictured above is the second nation-wide announcement of the "Family-needs Forecast"—a development which allows the underwriter to render a custom-built service to his clients, makes his diagnosis of their problems professional in the fullest sense.

The Family-needs Forecast is proving popular with Union Central men all over the country—because it is an amazingly effective, almost sure-fire selling device, and hence is putting real money in their pockets.

The Family-needs Forecast is *universal* in its application. During November, Union Central men are using it on the prospect group from which 25 to 50% of a good agent's commissions come—his old policyholders. These good prospects' favorable reaction to the Forecast is bringing extra income to the entire field organization.

**The UNION CENTRAL LIFE Insurance Company**  
CINCINNATI, OHIO



There's a story told about an immigrant landing on the shores of America, eager to find land and plant his crop.

Spying a grizzled pioneer at a corner of his field, the immigrant approached and asked "What Can You Grow Here?"

The old pioneer lifted his weather-worn face, and replied "Partner, we grow men here!"

In much the same spirit, this institution surveys its field force of some 3500 men who serve it in twenty-one states stretching from the Atlantic to the Pacific.

"We grow men here, too."

... ambitious men; trustworthy men; men who forge ahead to earn for themselves the commanding positions awaiting them in an ever growing organization.

We're proud of the growth and the record it has been our privilege to make in recent years—but we're more proud of the men who made those records.

We grow men here—and when we stop doing that, we ourselves shall no longer grow.

## The NATIONAL LIFE AND ACCIDENT Insurance Co., Inc.



HOME OFFICE, National Building, NASHVILLE, TENN.  
C. A. CRAIG, Chairman of the Board, W. R. WILLS, President



THE SHIELD COMPANY

## New Manager



H. A. HENDERSON, Lexington, Ky.

H. A. Henderson of Little Rock, who becomes manager of the Lexington, Ky., agency of the Union Central, took his new seat this week. He is one of the youngest agency heads in the country. He was formerly assistant manager at Little Rock. The Lexington general agency will be new territory for him. He was born in July, 1909, at Pangborn, Ark.

## Important Meet at Detroit

General Agents and Managers Congress Will Have Conference With Prominent Speakers at Hand

DETROIT—More than 150 managers, general agents and supervisors are expected to attend the general agents and managers congress at Hotel Fort Shelby, Nov. 18 under the joint sponsorship of the Michigan Association of Life Underwriters and the Associated Life General Agents & Managers.

Paul Speicher, Insurance R. & R., will talk on methods of selling that have proved successful. Philip B. Hobbs, Chicago, manager Equitable Society and chairman of the general agents and managers section of the N. A. L. U., will discuss the objectives of that phase of the National association activities.

S. F. Muter, Kitchener, Ont., manager Metropolitan Life and president Canadian Life Underwriters Association, will discuss the industrial angle under the title, "Every Day and Every Week Work Plans of the Industrial Agent." H. A. McAllister, director of sales training Chrysler Sales Corporation, will demonstrate "The Seven Channels of Sales," which will enable men to save 10 sales yearly in each channel, he asserts.

## Confer on Modern Woodmen

Expects to Be Reinstated in Missouri After New Superintendent Has Reviewed the Records

JEFFERSON CITY, MO.—John Phillips and Harmon Taylor, from the home office of the Modern Woodmen; Paul Harris of Lincoln, Neb., assistant to the president, and Former State Senator F. M. McDavid of Springfield, a national director, conferred with Superintendent Robertson as a preliminary step toward a formal application for a renewal of its license. Following the conference Superintendent Robertson said they went over the records, but that he had taken no official action.

The Modern Woodmen's license was revoked by Former Superintendent O'Malley some months ago after he had conducted a public hearing into the results of a special examination made by the Missouri department. The society was not represented at this hearing.

It is anticipated that both the Modern Woodmen and the Knights of Co-

## Oral Hearings Are Nearly Ended on Agents' Status

Hearing last week in Washington of the Travelers and United Life & Accident cases by the Social Security Board, has nearly wound up oral hearings on the status of agents under the social security act. Two more oral hearings are scheduled, those of the Pan-American Life, Nov. 29, and the Columbus Mutual Life, tentatively set down for Thanksgiving day, but which possibly also will be heard Nov. 29. The Massachusetts Mutual case also will be heard.

The cases for the Travelers included giving of data on the Travelers Indemnity and Travelers Fire. Briefs had been submitted in all these cases, as well as in many more that are pending. Members of the board asked many questions relating to possible control of the agents' time and work by the companies.

Rendering of opinions in the many cases pending is not expected until after a ruling is made on the Massachusetts Mutual Life's request for reconsideration of the opinion of some months ago that its agents were employees and thus under act. Briefs in the Massachusetts Mutual case were submitted this week and the matter is now before Chief Counsel Meacham of the interpretative division of the Internal Revenue Bureau.

J. V. Hanna, president of the United L. & A., and Allen Hollis, board chairman and general counsel, as well as former U. S. senator, presented the case for their company in Washington. Col. C. B. Robbins, manager and general counsel American Life Convention, gave oral argument in both the United L. & A. and Travelers hearings.

J. F. Ryan, former counsel of the bureau, now is assistant deputy chief counsel of the interpretative division.

## Company Impairment Shown

LANSING, MICH.—Management of the Roman Standard Life of Manistee, Mich., was ordered by Judge Carr of Ingham county circuit court to show cause Nov. 22 why it should not be placed in receivership for the purpose of liquidation.

Petition for the receivership was filed in behalf of Commissioner Gauss of the Michigan department by John Panchuk, assistant attorney general. The petition set forth that a departmental examination had revealed an impairment of \$81,228 and that efforts of the company and the department to reinsure the business had proved futile. Gross assets reported totaled \$347,282, of which \$79,911 were non-admitted, while liabilities, including capital stock, amounted to \$351,599.

Judge Carr also acted in the case of the Home Mutual Benefit of Petoskey, appointing Commissioner Gauss as receiver of that organization to liquidate its assets. A petition was filed sometime ago alleging the association to be insolvent.

## Name Two Toledo Assistants

J. B. Sulier and Fred Ryno of the Toledo office of the Life of Virginia have been promoted to assistant district managers. L. H. Farmer is district manager.

## Skinner Is Group Supervisor

M. B. Skinner has been appointed group supervisor of the Sloan agency Equitable Society, Chicago. He was formerly assistant manager. He has been personal producer for the agency for six years and is a C. L. U., qualifying a number of times for the Quarter Million Dollar Club.

Columbus will soon file formal applications with the Missouri department for a renewal of their licenses. The Knights of Columbus had its Missouri license suspended when the home office officials of that organization refused to permit Superintendent O'Malley's examiners to conduct a special examination of the books and records of the fraternal.

## POLICIES

### Continental American Rise in Dividends Is Explained

The Continental American Life dividend increase effective Jan. 1, announced recently, amounts to about 7 percent increase over all and a large increase in dividends on family income forms. There is a basic change in method of assessing expenses, resulting in dividends which increase more rapidly with duration. A small reduction is made in rate of interest assumed in the dividend formula. On some plans and at some durations there will be small decreases. In the main, future dividends on an individual policy will increase more rapidly from year to year.

In assessing expenses against policies, charges are made which decrease rapidly with duration of policy, producing more rapid increase in dividends as the policy becomes older. More accurate effect is given to variations in expenses on different plans, the company explains, "thus producing a more equitable distribution of profits for individual policyholders. The advantages in following this procedure will inure to the benefit of both policyholders and the company."

"From the point of view of the individual policyholder, the new dividend scale will distribute the profits of the business more nearly as they are earned, thus producing more equitable results. The more rapidly increasing dividend scale will also act as an aid in persistency, and will reward the persisting policyholder to a greater extent than it has been possible to do in the past."

"As an example of this favorable effect on persisting policyholders, although the aggregate or average increase in 1938 will be 7 percent, the individual policyholder who persists and keeps his policy for a full 20 years will receive a much larger than average increase as shown by the following table showing percentage increase in 20 year total dividends:

| Plan                         | Age at Issue |      |      |
|------------------------------|--------------|------|------|
|                              | 25           | 35   | 45   |
| Plan                         | Pct.         | Pct. | Pct. |
| Prof. Class Ord. Life...     | 23           | 15   | 9    |
| Prof. Fam. Inc. 20-Year Plan | 71           | 43   | 19   |
| Prof. 20 Pay Life            | 18           | 13   | 9    |
| Endowment at Age 85          | 38           | 28   | 21   |
| Twenty Year Endow.           | 5            | 6    | 8    |
| Twenty Pay End. at 85        | 29           | 23   | 18   |

"The gradually reducing rate of interest earnings on company funds has finally made necessary a small reduction in the rate of interest entering into the dividend formula. While the company has been able to maintain an extremely favorable rate of earnings on investments, the reduction in the interest factor is in line with company experience, and as such is necessary and equitable."

### John Hancock Continues Scale

The John Hancock Mutual Life will continue its present dividend scale next year and will set aside more than \$18,500,000 for dividends. The general formula now in effect will be continued on retirement annuities and group policies. Interest on funds held on deposit or retained under optional modes of settlement will be the same as at present, which is 3.5 percent on dividend accumulations and 3.75 percent on proceeds.

### New England Mutual Dividends

Directors of the New England Mutual Life have voted \$10,150,000 for dividends to be paid during the full year 1938. This maintains for all premium-paying policies the scale adopted for 1936 and 1937, and compares with \$9,500,000 voted last year. Single premium and paid-up life and endowment dividends will be somewhat smaller because of a lowered interest factor. Funds left with the company under settlement options will continue to receive interest at the rate of 3 3/4 percent and dividends on

deposit will continue to accumulate on the basis of 3 1/2 percent interest.

### Prudential Home Office Changes

Several home office promotions have been made by the Prudential. A. P. Hubschmitt, formerly manager of the bookkeeping department, has been advanced to supervisor in the comptroller's organization. J. B. Todd, formerly assistant manager of the treasurer's department, is now manager of the department.

### Theron S. Dean Resigns

T. S. Dean, Burlington, for many years general agent of the Mutual Benefit for Vermont is resigning. Hereafter, development of the business in Vermont will be under the direction of W. E. Johnson, Jr., Nashua, N. H., general agent for that state. Mr. Johnson will act as general agent for both Vermont and New Hampshire. Mr. Dean will continue personal production.

### Cox at Florida Meeting

Guy W. Cox, president John Hancock Mutual Life, held a conference with Florida representatives of the company in Jacksonville.

When President Cox reached Atlanta, he was welcomed by Walter Powell, general agent for Georgia; W. I. Pittman of Birmingham, state agent for Alabama, and John A. Witherspoon of Nashville, general agent for Tennessee.

### Breaks Company's Records for One-Month Production



GEORGE W. WEITZEL

George W. Weitzel of the Ohio National's McGregor & Wade agency, Harrisburg, Pa., broke all of his company's records for a month's personal production when he submitted 86 applications for \$126,000 in October for President T. W. Appleby month. Mr. Weitzel operates largely in a rural district and many of his policies were written in the fields. He was on the job all day from 6 o'clock in the morning until late at night and worked Saturdays and Sundays as well. Mr. Weitzel left the baking business to go with the Bankers Reserve Life in 1920. With the merger of that company and the Ohio National in 1933, he went with the latter. He is 60 years old.

Mr. Weitzel proved himself a capable chef on a hunting trip held to celebrate the McGregor & Wade achievement near Elimsport, Pa. Present from the home office were J. H. Evans, vice-president; Grant Westgate, assistant superintendent of agencies; and A. W. Theiss, manager of publicity.

The McGregor & Wade agency produced the largest agency business for the month, submitting \$460,000. The F. E. Kramer agency, Erie, was second with \$340,000. With a record production of \$5,226,000, the Ohio National had the biggest month in history and a record month for the eighth consecutive time this year.

## Dependability

Protecting industry, business and individuals against financial loss, these Companies have paid more than \$155,000,000.00 to policyholders and their beneficiaries.

Involving more than two million individual claim and other payments, these figures are important in that they demonstrate the soundness and dependability of Continental as an institution.

Protection, proved by past performance since 1897, is offered to you and your clients in practically all forms of insurance and bonding service.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

## CONTINENTAL CASUALTY COMPANY

## EDITORIAL COMMENT

### Appropriate Theme for the Presidents

THE theme for the annual meeting of the ASSOCIATION OF LIFE INSURANCE PRESIDENTS this year is truly significant, it being "The Response of Life Insurance to American Needs." Life insurance is a democratic institution. It knows no caste. Its selection is based entirely on physical condition and family history. It is cosmopolitan in that it insures people from all nations. In many respects it is probably truly American because the public has confidence in legal reserve life insurance. It is not only desirable for family and business protection but it is the safest kind of an investment.

America believes in peace. As President Roosevelt puts it, it clings to the group neighbor policy. If the world at large were based on the construction of a legal reserve life insurance company, which is a family of cooperation and good will without jealousy, without attempting to infringe on the rights of others, there would be universal peace. Life insurance today therefore does meet the demands of the times especially in a country that is not ambitious to extend itself. The best thought on the subject will be brought out at the meeting and the record will be worth anyone's reading.

### Valuable Contribution to Insurance Studies

ONE of the most prolific sources of highly desirable life insurance information from the production standpoint emerges from the joint meeting of the ASSOCIATION OF LIFE AGENCY OFFICERS and the LIFE INSURANCE SALES RESEARCH BUREAU. In Chicago this year they were augmented by the meeting of the AMERICAN INSTITUTE OF ACTUARIES in the same hotel. The combined output of highly informative papers and discussions was important. No one can read the press reports

of these meetings without appreciating the high value of the material that was printed. It forms an educational book in itself. These organizations are stimulating. They are discussing and analyzing live current questions. The fact that everything is not cut and dried in such meetings but that time is given to informal discussion serves to bring out experience and comment of value. This year the meetings were more valuable than ever from the standpoint of live informative material.

### Metropolitan Life Heads List

IT is interesting to know that out of the 20 largest financial institutions in the world so far as assets are concerned there are seven life insurance companies but no insurance company of another class. Outside of the Federal Reserve Bank, which is the largest, and the Reconstruction

Finance Corporation, which is one of the government enterprises, the METROPOLITAN LIFE leads as the largest financial institution. In addition to the Federal Reserve Bank there are 12 banks in the United States and abroad that are in the great group.

### Fail to Apply Sales Ideas

TWO sales congress speakers were discussing the fact that a large proportion of people attending sales congresses sit through talks, even jot down ideas, but seldom apply them. The younger speaker was rather hostile to the fact that although he set forth a rather simple sales success formula he knew ahead of time that only a few, if any, listening agents would put these definite sales suggestions to work. The veteran speaker said that

he figures that about 10 percent really get something out of sales talks. A speaker can usually assume that 90 percent of his listeners will not put to use any of the suggestions no matter how good, he said.

The problem of getting agents to use available sales material and ideas is discouraging. This failure to apply available sales ideas is responsible for the lack of success of many agents in developing business.

### Have Something to Offer New Men

A SUPERVISOR who changed companies and general agents recently was commenting on the difference between the two systems used. The first company operated on the principle of building from without, while the second company used the building from within

principle. New men were the chief source of increases in new business secured by the former company, while the second organization spent more time in developing agents under contract than in securing new men. In so doing the second organization solves its new man

power problem because the success of its present agents is a powerful magnet in attracting new men.

One general agent who is literally crying for new men appears to have very little to offer them besides the name of a substantial company. He is more concerned with his want than he is with what he has to offer his agents. Another general agent who has no special system for recruiting has been able to secure as many new men as he can absorb. He has a very definite training course and method of putting new men on a money making basis. In approaching new men he impresses them with the

strength of his convictions that he has a good product and that he has a way by which the prospective agent can learn about it and sell it.

The man-grabbing general agent is so hungry for new men that he is in the same class as the agent who impresses the prospect with the fact that he is more eager for the commission rather than he is to serve the prospect's needs.

The prime factor in both selling and recruiting is to develop a product and service which will help solve the prospect's problems. A give and get attitude makes the difference between success and failure.

## PERSONAL SIDE OF BUSINESS

The G. A. Cowden agency of the Franklin Life, Springfield, Mo., held its second annual picnic outing at the Osage Beach Inn. Twenty-eight members of the agency qualified in a two month "fall roundup," and enjoyed a day of fishing, hiking and motor boating.

C. E. Sayward, 76, for many years general agent for Maine of the John Hancock Mutual Life, died at his home at Portland. After serving 14 years as teacher in a commercial college in Boston, he went with the John Hancock and on Jan. 1, 1906 was made state general agent.

E. M. McConney, vice-president and actuary of the Bankers Life of Iowa, has returned from Barbados, West Indies, where he visited his boyhood home, and his father, who has been in ill health but is now improved. En voyage Mr. McConney visited many ports of call in the British West Indies and enjoyed a day in Bermuda.

Charles K. Sterline, 71, Philadelphia general agent Girard Life, died after a three weeks' illness. He had been in Philadelphia 19 years and was considered one of the oldest life insurance men in point of service, having started in Harrisburg at the age of 24.

J. E. Garland, president of the Garland agency of the Pacific Mutual Life at Farmville, Va., celebrated the 25th anniversary of the agency by entertaining more than 100 guests including company officials, agents, their wives and personnel of the Farmville office. The celebration culminated a drive for new business put on by the Garland agency in its territory embracing Virginia and North Carolina. Speakers included Vice-President D. C. MacEwen and Dr. L. H. Lee, medical director, from the home office; Rex Rafferty, Chicago, superintendent of eastern agencies; J. M. Gantz, Cincinnati general agent; W. W. Averett, Lynchburg; J. E. Capps, Norfolk, and Theodore Hundley, Huntington, W. Va.

Frank W. Simpson's birthday was a most happy event for the Detroit manager of the Dominion Life. The agency force surprised Mr. Simpson by presenting him a huge bouquet and applications for \$62,000 of new business. Moe Leiter of Moe Leiter & Associates, who is vice-president of the company's pro-

duction club, made the presentation. Afterward Mr. Leiter entertained Mr. Simpson at a birthday luncheon. Wires of congratulation were received from head office officials, other branch managers and friends.

Speaking on life insurance before the Kiwanis Club of Antigo, Wis., Clyde Whitely, assistant manager Travelers in Milwaukee, discussed program insurance, buying to build an estate to meet the needs of the individual family, and how insurance provides ways of monthly income after death of the head of a family. He closed with the statement: "Your family is your family as long as they live, and not as long as you live."

A. C. Guy, Columbus manager Western Adjustment, and Carl Mitchell, vice-president Columbus Mutual Life, the latter representing the Optimist Club and the former the North Side Civic Association, have been named as members of a mayor's committee to study the financial crisis which the city faces as a result of the defeat of a city levy in the election last week. Many municipal services will have to be curtailed as a result of the defeat of the levy, among them the fire and police departments.

At the call of Frank N. Julian, Alabama insurance commissioner, a convention was held this week of surviving framers of Alabama's constitution in 1901. Mr. Julian, then a young man, served as chairman of the constitutional convention.

F. F. Eichbauer, special inspector attached to Division B of the Prudential, has just rounded out 45 years of continuous service with the company. He entered its employ as a superintendent's clerk. He was appointed to his present position in 1925.

M. G. Sturgeon, manager Pacific Mutual, Savannah, Ga., died suddenly.

### Franklin Life Meetings

The Franklin Life announces that it will hold a convention for members of its 1937-38 agency clubs at the Edgewater Beach Hotel in Chicago July 18-20. A school for newer agents, who qualify on a pro rata basis, will be held at the home office in Springfield in August.

## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Ass't. Man. Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

BUSINESS DEPT.: E. J. Wohlgenuth, President. H. J. Burridge, Vice-Pres. John F. Wohlgenuth, Sec'y. Associate Managers: W. A. Scanlon, G. C. Roeding, O. E. Schwartz.



CINCINNATI OFFICE—420 E. Fourth St., Tel. Parkway 2140. Louis H. Martin, Mgr.; Abner Thorp, Jr., Director Life Ins. Service Dept.; C. C. Crocker, Vice-President.  
NEW YORK OFFICE—1200-123 William St., Tel. Beekman 3-3555. Editorial Dept.—G. A. Watson and E. B. Mitchell, Assoc. Eds. Business Dept.—N. V. Paul, Vice-Pres.; W. A. Spiker and J. T. Curtin, Resident Managers.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Res. Mgr.

CANADIAN BRANCH—Toronto, Ont., 68 King St., East. Tel. Elgin 0543. Ralph E. Richman, Vice-Pres.; W. H. Cannon, Manager.

DALLAS OFFICE—811 Wilson Bldg., Tel. 2-4955. Fred B. Humphrey, Res. Mgr.

DES MOINES OFFICE—2315 Grand Ave., Tel. 4-2498. R. J. Chapman, Res. Mgr.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Res. Mgr.

HARTFORD OFFICE—Room 606, 18 Asylum St., Telephone 2-0855. R. E. Richman, V. P.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. W. J. Smyth, Res. Mgr.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

## NEWS OF THE COMPANIES

### Equitable Society Modifies Its Part-timer Plan

The Equitable Society of New York which some time ago adopted a policy of limiting representation in cities of 50,000 population or over to whole-time agents, has modified its plan to permit making part-time contracts in such territory to run for a period not exceeding six months, where the general agent or agency manager in a limited number of cases feels the new appointees will become successful whole time producers.

The news was conveyed in a letter to general agents and agency managers from A. G. Borden, second vice-president. He emphasized that the six months limitation will be rigidly enforced.

"Our experience has indicated," he said in respect to the previous whole time limitation rule, "that the carrying out of this rule as heretofore applied has been the means of denying admission to the life insurance business to worth while men and women who had an interest in the business, but who required a transition period in which to adjust themselves to our work. The immediate severance of the income from the old employment often interposes too great a barrier."

The Equitable's old policy was carried out under the agency practices agreement which became effective Feb. 26, 1935, whose function was to eliminate part timers in urban centers.

### New Rural Bankers Office

The Rural Bankers Life has opened its new home office building at 811 East Jefferson boulevard, South Bend, Ind. It is a handsome two-story brick structure and was formerly a residence. The company was organized in 1924.

### Bankers of Iowa to Erect \$1,000,000 Home Office

DES MOINES—The Bankers Life of Iowa has announced it will erect a \$1,000,000 home office building at Eighth and High streets here next spring.

Purchase of the site now occupied by Central Presbyterian Church gives the company complete ownership of an entire block, 280 by 188 feet. Tentative plans for construction contemplate large space area, but not many stories in height.

Construction will begin as soon as an architect has been obtained and plans drafted. Until now the company has occupied eight floors of the Liberty building, Des Moines.

### Monarch Life Dedicates Its New Home Office Building

The growth of the Monarch Life from its inception as the Masonic Mutual Accident in 1901 was related by President Clyde W. Young at the dedication of the Monarch Life's new home office building in Springfield, Mass.

From meager resources in a one room office the company has progressed through periods of war, epidemic and acute business depression, development of the automobile accident hazard, new legislation and difficult investment conditions, said Mr. Young. In 1921 the name of the Masonic Mutual Accident was changed to the Masonic Accident and in 1924 it became the Monarch Accident. The Monarch Life was organized in 1926 and in 1931 the two companies were merged.

The new building is a monument to

individual initiative and self-reliance. The policyholders demonstrate these characteristics in making provisions for themselves and their families said Mr. Young.

### Oklahoma Association's Setup

The collection office of the Mutual Life & Accident Association of Frederick, Okla., has been removed to 411 Terminal building, Oklahoma City. The home office will remain at Frederick. New officers have been elected as follows: L. W. Herrod, president; R. M. McComb, vice-president, and V. G. Brown, secretary-treasurer, all of Oklahoma City. In addition to the officers, directors include E. L. Reece and E. C. Brown of Oklahoma City.

### Continental Assurance Exhibit

The Continental Assurance of Chicago as of Oct. 1 had an increase of insurance in force over \$13,000,000 the amount now being \$220,143,000. New insurance for the period was \$39,978,000. Assets are \$26,856,000 as compared with \$24,856,532 Dec. 31, a gain of \$1,683,000. The capital is \$1,000,000, surplus \$2,432,617 as compared with \$2,043,455 at the end of the year. It paid in dividends \$150,000.

### Organize Two Honor Clubs

The Security Mutual Life of New York has organized two special agency honor clubs to stimulate production in celebrating its 50th anniversary during October, November and December. Agents will qualify for the "Half-Century Club" by paying for \$50,000 or more and for the "Golden Anniversary Club" by producing \$25,000 to \$50,000 in paid business. Names of members of both clubs will be cast in bronze and hung in the home office lobby.

### Confusion in Names

The Franklin Life of Springfield, Ill., has been somewhat embarrassed by the proceedings by the Illinois department

placing the Franklin Mutual of Chicago in rehabilitation. The Franklin Mutual is a casualty company. It has no connection with the Franklin Life. The Franklin Mutual company has been writing long haul truck and bus business which has gotten it into financial difficulties. The Franklin Life is in excellent financial condition, its business being 15 percent ahead of last year.

### November "Sherritt Month"

J. S. Sherritt, president Santa Fe National Life, Albuquerque, N. M., is being honored by the field force in November, which was made "Sherritt Month," because his birthday is Nov. 29.

### Liberty National's Big Day

The largest day's business ever received by Liberty National Life came Nov. 1. The amount, \$622,000, was produced as "birthday greetings" to President F. P. Samford, whose birthday is Nov. 1, and climaxed the annual "President's Month" drive. Production for the month exceeded \$2,500,000, and 169 agents, as against 136 last year, qualified as candidates for the President's Club. More than half the agents equalled or exceeded their assigned quotas.

### Highlanders Tangle to Court

LINCOLN, NEB.—Failure of protesting policyholders of the Royal Highlanders Mutual Life and its officers to agree on methods of earmarking for distribution the excess surplus of the company and also on the amount to be distributed has resulted in an appeal to the courts. G. R. Wiseman of Grand Island, representing a group of policyholders, has filed an appeal with the district court from the order of Director Smrha and will also attempt to amend the petition now in district court files so as to bring in this issue. The company filed a showing, as required by Mr. Smrha's order, in opposition to his conclusion that \$1,508,000 could be safely earmarked for distribution, set-

## 1907 Thirtieth Anniversary 1937



## HENRY HELPSSELL Says -

November is always a banner production month with Jefferson Standard representatives . . . production activities this November will reach a new high peak . . . expressing appreciation for the leadership of the Company's greatest salesman . . . Julian Price, President.

A. R. PERKINS—Agency Manager



## Jefferson Standard Life Insurance Co.

JULIAN PRICE PRESIDENT

GREENSBORO, NORTH CAROLINA

ting up actuarial estimates that indicated the wisdom of retaining the greater part of this sum. The company also took the position that the department is without authority to make such an order, and that this power rests in the sound discretion of the directors.

M. W. Wilson, president and managing director of the Royal Bank of Canada, has been elected director of the Sun Life of Montreal.

### Nebraska Handbook Is Issued

New Edition from the Press of The National Underwriter Gives Complete Insurance Information

THE NATIONAL UNDERWRITER announces this week the publication of the Underwriters Hand-Book of Nebraska for 1937-38. This is the 13th edition.

A noticeable decrease in the number of agents licenses is indicated by the records of the compiler which show that in 1935, the last figures available, there were 28,530 agents licenses issued. For 1937, 25,619 licenses were received. Each class of licenses seems to show a decrease with the exception of mutual casualty companies which show a slight increase of from 1,128 to 1,360. Stock fire licenses dropped from 13,250 to 12,349. Another notable drop was that in the number of life licenses from 3,593 to 2,846.

### Reference Book on State

The Nebraska Hand-Book is the complete reference book on insurance in the state and gives full information on all the agencies located there, listing them alphabetically by towns and showing the list of companies which they represent together with the members of the firm, other business transacted, the address, date established, etc. Besides this is given information on all companies operating in the state showing their financial statements, officers, field men, business in the state and kinds of insurance written.

Separate lists are given of the field men arranged alphabetically for cross reference purposes and there is much other miscellaneous information included such as the list of local organizations together with their officers, lists of insurance adjusters, a resume of the insurance laws of the state and town classification as to fire protection.

The Nebraska Hand-Book is most complete and up-to-date and is a very valuable reference book for anyone interested in insurance in the state.

## AMONG COMPANY MEN

### Breiby Now Vice-President

Well Known Eastern Actuary Becomes Officially Identified With the Pacific Mutual Life in Los Angeles

Commissioner Carpenter of California announced that William Breiby, former member of the actuarial firm of Fackler & Breiby in New York, is now vice-president of the Pacific Mutual Life. He stated this in his testimony before



WILLIAM BREIBY

the committee investigating the conduct of his office. Mr. Breiby is one of the experts who was taken to Los Angeles last year in connection with the litigation over the affairs of the Pacific Mutual. He was retained by the commissioner and later became associated with the company.

His association with the company is regarded as a step which will do much in helping it build its prestige and establish confidence in its future. Problems facing the Pacific Mutual are to a large extent actuarial, the main one being to preserve equity among the various classes of policyholders. Mr. Breiby has given the major part of his time to the Pacific Mutual's situation since his firm

was called in by the California department. His reorganization plan met with the approval not only of the court but of state insurance departments generally. At the hearings he displayed his ability to support his proposal under fire of opposing attorneys.

### Experienced in Reorganization

Fackler & Breiby were retained by California department not only because of their national reputation as consulting actuaries but because they, like other leading firms, had had considerable experience in handling reorganizations and reinsurances of life companies, notably in Illinois. In addition, Mr. Breiby had been in the consulting actuarial field since he went to work for his present partner's father, the late D. P. Fackler, in 1902, and has gained a wealth of experience as a versatile trouble-shooter.

A native of Sweden, Mr. Breiby was brought to this country by his parents as a child. As a young man he joined Mr. Fackler, Sr., and in 1919 was made a partner. He is a Fellow of the Actuarial Society, Fellow and Librarian of the Casualty Actuarial Society, member of the International Congress of Actuaries, and one of the few actuarial members of the New York City Life Underwriters Association. His firm is consulting actuary of the U. S. War Risk Bureau and was retained a few years ago by the railroads to testify before the senate on the railway pension bill. He is author or co-author of several books on life insurance.

### Dr. Allison Medical Director

DALLAS—The Southwestern Life has appointed Dr. Wilfred J. Allison medical director. He succeeds the late Dr. DeWitt Smith.

### Group Assignments Made

The following changes of assignment in the field force of the group department of the Equitable Society are announced:

Robert K. Young, assistant divisional manager for Michigan with headquarters at Detroit, becomes assistant divisional manager of the central department with headquarters at Chicago. Robert A. McHugh, service supervisor in Seattle, succeeds Mr. Young as assistant divisional

manager for Michigan with headquarters at Detroit.

Larry P. Ginter, home office staff, named assistant divisional manager for Ohio with headquarters in Cleveland.

James A. Bell, service supervisor in Atlanta, is appointed assistant divisional manager for Texas with headquarters in Dallas.

## SALES MEETS

### Visit Many Cities for State Mutual Meetings

President Chandler Bullock of the State Mutual Life is holding several regional meetings. He is accompanied by Stephen Ireland, vice-president; J. H. Eteson, assistant superintendent; and R. Walker, field assistant. Included in the itinerary are: Chicago, Cincinnati, St. Louis, and the Pacific Coast. In Cincinnati 50 representatives from Ohio, Indiana, and Kentucky attended the two-day meeting. Cincinnatians on the program were L. B. Scheuer, general agent; T. M. Herman and Philip Heil, Mayor Wilson of Cincinnati and Morris Edwards, executive vice-president of the chamber of commerce, welcomed Mr. Bullock and the home office representatives at a banquet, which closed the conference there.

### Celebrate Contest Conclusion

The Des Moines agency of the Pacific Mutual Life celebrated the conclusion of a six-weeks sales contest with a party. Byron L. Hart is head of the agency. More than 50 were present. High man for the Des Moines agency was G. F. Hubbard, Ottumwa, Ia., who wrote 26 applications.

### Penn Mutual Men in Milwaukee

Paul Kremer, general agent Penn Mutual Life, conducted a state agency meeting in Milwaukee, at which company speakers were E. Paul Huttinger and William Nenner of the agency department and Willard Detwiler of the underwriting department.

### Michigan Club Meets

DETROIT—The Michigan State Columbus Mutual Life Insurance Club held its annual one-day convention here. The principal speaker was James A. Preston, Columbus, general sales manager. Other

## GIVEN NEW TERRITORY BY SUN LIFE OF CANADA



C. H. HEYL

In the recent reassignment of territory by the agency department of the Sun Life of Canada, C. H. Heyl becomes superintendent of agencies in



G. T. BRYSON

the newly formed central division. G. T. Bryson was named assistant superintendent of agencies in the eastern United States division. F. D.



F. D. MACORQUODALE

Macorquodale becomes superintendent of agencies in the western division, including South America, British West Indies, etc., and T. L. Overing is as-



T. L. OVERING

stant superintendent for the Oriental and eastern divisions. All of them have previously held important executive posts.

speakers were Myron Hawkins, Charlotte; Elmer Newark, Lansing; George Dobbin, Jackson; Charles Durant, Robert Zimmerman and C. A. Gordon, Pontiac, and Walter Easley and Phil Breuer, Detroit. Robert Barr, Columbus, home office representative, was the featured speaker at the banquet.

#### Cropper Holds Sales Meeting

O. T. Cropper of Topeka, Kansas manager Aetna Life, held a sales meeting for the Kansas field force. A. H. Hiatt, assistant superintendent of agencies, and W. C. Abbey, agency assistant, were in attendance. Mrs. Cropper entertained the visiting agents and their wives with a tea at her home.

## INDUSTRIAL

### Relief Demands Less Pressing

#### Off Two-Thirds from 1935 Peak, Life Insurance Adjustment Bureau Figures Show

NEW YORK—Industrial policies of needy families on relief are currently requiring only about one-third as much attention as they did in 1935 when the number of cases handled by the bureau was at its peak, according to E. G. Eklund, manager Life Insurance Adjustment Bureau. Since its establishment six years ago by the Metropolitan, Prudential and John Hancock, the bureau has helped 514,406 families on relief to retain needed protection at minimum cost and to realize more than \$25,000,000 in cash values, much of which would have been obtainable only in the form of paid-up or extended insurance without the cooperation of the companies, the bureau and the relief agencies.

The WPA has been a large factor in cutting down the need for adjustment of industrial policies. The federal government began in 1935 to withdraw direct relief from the communities and with the WPA supplying work relief as a substitute. Wages received from the WPA are not considered relief from a life insurance standpoint. The decline in the number of cases handled by the life insurance adjustment bureau roughly parallels the drop in national relief figures.

#### No Marked Change This Winter

Mr. Eklund looks for no marked change in the number of cases handled by the bureau from now on. It is possible that there will be a slight increase, as a seasonal increase would be normal for the winter months.

The general policy of New York City relief agencies has been to cut insurance benefits down to around \$500 for adults in families and to from \$200 to \$350 on children, so that those forced on relief would not be harassed by the fear of a potter's field burial for themselves or their dependents. Where medically possible, existing plans of insurance are changed to cheaper forms, the difference being realized in cash or advance premiums.

From the companies' point of view, the bureau's operations have kept much business on the books which otherwise would have been washed out and at the same time enabled policyholders on relief to obtain needed funds and to keep in force a reasonable amount of protection.

L. L. Himber, manager reinsurance department New York City Emergency Relief Bureau, discussed the place of fraternal and assessment insurance in cases of relief recipients at the annual New York state conference of social work. He concluded that assessment and fraternal insurance must be carefully considered in determining the possibilities of an insurance adjustment and that where relief recipients have regular industrial or old line insurance as well some compromise must be effected permitting membership in the society to

continue if there is financial justification for it and also the retention of some portion of the regular life insurance coverage. He pointed out that it is also desirable to have information about the fraternal or assessment insurance in the case record since it will indicate the state of a family's assets if death takes place.

## AGENCY CHANGES

### Syracuse Manager Is Named for Bankers Life of Iowa

Thomas J. Curtin, supervisor in the Pittsburgh agency Bankers Life of Iowa,



T. J. CURTIN

has been promoted to agency manager at Syracuse, N. Y.

Mr. Curtin joined the Pittsburgh agency in 1924 and has an excellent record of personal production. He has been unusually successful in supervisory work.

#### Callan Named at Racine

T. E. Callan, for 11 years in life insurance work in Racine, Wis., has been appointed general agent of the Central Life of Iowa and has opened offices at 211 Sixth street.

#### Drummond Gastonia Manager

Fred O. Drummond has been appointed manager of the life department of the Provident Life & Accident in Gastonia, N. C., succeeding Hal D. Laughridge, who has been promoted to general agent at Bluefield, W. Va.

#### Form Lewis-Tyler Agency

A. O. Lewis of Wichita has been appointed district manager of the New England Mutual Life for southern Kansas and has formed the Lewis-Tyler Agency, with offices at 521 Union National Bank building. Mr. Lewis has been with the Connecticut Mutual in Wichita for 20 years and is a past secretary of the Wichita Life Underwriters association. C. R. Tyler and Harold Manning will be associated with him. Mr. Tyler leaves the Provident Mutual for his new connection. Mr. Manning, a graduate of Wichita University in 1933, is a well known athlete and was on the 1936 Olympic team. For the past year he has been with the Connecticut Mutual in Wichita.

Ray Murray, Harlingen, Tex., a successful personal producer, has been appointed district manager for the Reliance Life by L. A. Hanley of San Antonio, southwest Texas branch manager.

C. J. Klitgaard, manager of the Ohio National at San Francisco, was at the home office in Cincinnati a few days.

## NEWS OF LIFE ASSOCIATIONS

### Use Common Sense Moment to Close, Says Zimmerman

LOUISVILLE, KY.—"There is no psychological moment to close an insurance sale unless it's the common sense moment to close," C. J. Zimmerman, Chicago, general agent Connecticut Mutual Life, declared in a talk before the annual sales congress sponsored by the Louisville Association of Life Underwriters.

"Many times you talk yourself out of a sale because you are afraid to close," Mr. Zimmerman said, explaining that the best time to close is when you have shown the need of life insurance. Mr. Zimmerman is secretary of the National association.

E. B. Stevenson, Jr., vice-president of the National Life & Accident, stated that the depression proved insurance companies constitute "the soundest financial institutions ever devised by man."

Others speakers were C. Vivian Anderson, Provident Mutual Life, Cincinnati, past president National association; Harold J. Cummings, vice-president

Minnesota Mutual Life, and Ray F. Hodges, Cincinnati, general agent Ohio National Life.

J. C. Norman, president Louisville association, presided. Speakers were introduced by E. O. Harris, Jr., Will Lausman, Ralph H. Parsons, E. W. Baker and James L. Moss. The general theme of the meeting was "Programming the Small Insurance Estate."

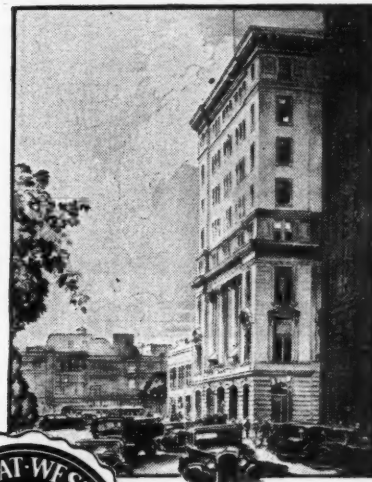
Tulsa, Okla.—H. A. Hedges, Kansas City general agent Equitable Life of Iowa and a trustee of the National association, spoke at a luncheon to which insurance men of this area were invited.

Northern New Jersey—D. B. Maduro, a New York insurance attorney, speaking on business insurance, dwelt upon the "purchase agreement," which provides funds for the purchase price of an interest in business upon the death of an owner. He said it fits any interest in business, be it corporation, sole ownership or partnership. He will conclude his series of talks Dec. 13.

It was announced that the membership is now 351, the largest since the inception of the association.

It was decided to make the first meeting of the new year an open one, when

*A Policy  
for  
Every Person  
and Purpose*



FOUNDED

IN 1892

## Built for Permanency

The Great-West Life Assurance Company was organized in August, 1891, and commenced business in July, 1892. Its growth, even in the early years, was phenomenal. Its branch organization is continent-wide and international. Business in force amounts to over \$575,000,000 and assets at the end of 1936 were more than \$150,000,000—a year's increase of \$7,000,000. These assets are well diversified, safety of policyholders' funds being the first consideration. Those who know this Company attribute its growth to the fact that it has always had its policyholders' interests at heart. From the very beginning it has been an agency-minded organization.

**THE GREAT-WEST LIFE ASSURANCE COMPANY**

HEAD OFFICE • WINNIPEG, CANADA

ASSETS - - - - - \$150,005,674  
INSURANCE IN FORCE - - - - - \$575,844,591

# We Have AN INCOME-PRODUCING OPPORTUNITY FOR YOU, TOO



**MARCEL DREYFUS BUILT HIS  
COMMONWEALTH LIFE AGENCY  
TO A \$1,500,000 ANNUAL BASIS  
IN ONLY FIVE YEARS AT  
YOUNGSTOWN, OHIO**

The Steel Mills and Banks were closed in 1932 when Mr. Dreyfus opened his Commonwealth Life Agency. Even the insurance company was unknown in his city. These would seem to be crushing handicaps to most persons. But he knew that there was one great factor in his favor—the support which Commonwealth Life gives its men to build profitable agencies—quickly.

You can climb just as high with this helpful, growing company. For full details write

**J. HERBERT SNYDER,  
VICE-PRESIDENT  
MANAGER OF AGENCIES**

**COMMONWEALTH  
LIFE INSURANCE COMPANY**  
Home Office - LOUISVILLE, KENTUCKY

it is hoped that O. Sam Cummings, president of the National association, will be the speaker.

**Saginaw, Mich.**—The value of selling the policyholders on the advantages of converting insurance proceeds into option settlements rather than lump sum settlement was pointed out by A. P. Johnson, Detroit manager Great-West Life. Mr. Johnson urged agents to sell income and illustrated how beneficiaries benefit much more under the income plan. H. W. Manning, Toronto, assistant general manager, Great-West, was a guest.

**Pittsfield, Mass.**—F. W. Howland, agency assistant Massachusetts Mutual, discussed "Organized Activity in Life Underwriting."

"The four important steps that must be taken to finally result in a sale," he said, "are prospecting, approaching, interviewing and closing."

"By planning each day's work, before trying to work your plan, and by spending sufficient time in the presence of each prospect before moving along to the next one, you should get enough interviews for the law of averages to result in frequent sales. Few life insurance men have been able to succeed by using any other formula."

**Utica, N. Y.**—C. O. Fischer, vice-president Massachusetts Mutual, speaking on "A Program of Success for Life Underwriters," emphasized the importance of activity and sustained effort.

"There is food for serious thought in the story of the hare and the tortoise," he said. "The rabbit could have won the race and had a long time to rest on the safe side of the goal line, if he had followed a program of planned progress through sustained effort. Life insurance salesmen who plan their progress and keep on running are sure to win. The time for rest is when the job is done."

**Fort Wayne, Ind.**—George E. Lackey, Detroit general agent Massachusetts Mutual, spoke at a joint banquet of the life men and the Allen County Bar Association. The life men, he said, ask cooperation and friendly assistance of attorneys in meeting tax and estate problems. There is a mutual obligation to create and conserve estates. The new state and federal tax laws were cited as one of the main causes for confusion in the planning of estates. Special mention was made of the federal estate, income and gift taxes and state inheritance and income taxes. The subject, Mr. Lackey said, has become complicated. When the life man approaches a prospect today the latter wants to know what can be done about taxes, what the exemptions are, etc.

**Cowley County, Kan.**—The annual ladies' night meeting will be held Nov. 18 at the Winfield Country Club. Invitations have been extended by President C. H. Cloud to the Wichita association and others nearby.

**Independence, Kan.**—A C. L. U. class has been organized with six members. The association has 19 members.

**Springfield, Mass.**—T. F. Ring, general counsel State Mutual Life, described the part of the insurance legal expert in "The Adaptation of Life Insurance to Individual Needs." "The insurance legal expert is the middle man whose main function is to get the maximum benefits for policyholders and their beneficiaries," he said. Thirteen new members were brought in.

**Southern New Hampshire**—At a meeting in Portsmouth, Thomas Openshaw, district manager John Hancock Life, Manchester, N. H.; G. A. Stearns, supervisor Union Mutual Life, Malden, Mass.; Howard Lilly and Caesar Guarino, assistant managers John Hancock, Malden, Mass., spoke.

**Montreal**—L. S. Broadbuss, manager of the Guardian Life in Chicago, will speak Nov. 18 on "The Balanced Life Underwriter." On Nov. 30 there will be an educational congress, the speakers being H. J. Johnson, Pittsburgh general agent Penn Mutual, on "The Methods of Successful Life Underwriters"; A. E. Wall, field service inspector Confederation Life, on "Educating and Training Yourself in Life Insurance"; O. Sam Cummings, Dallas, state manager Kansas City Life and president National Association of Life Underwriters, on "The Essentials of Life Insurance Sales Success"; G. H. Harris, director of public relations Sun Life of Canada, on "National Aspects of Life Insurance."

The speaker Jan. 20 will be J. H. Brennan, Chicago manager Fidelity Mutual

Life, who is a large personal producer.

On Feb. 17, E. W. Owen, Detroit manager of the Sun Life of Canada, will speak. March 17, the speaker will be Trevor Hawgood, manager central Toronto branch Canada Life.

**Salt Lake City**—The monthly meeting will be a joint one with the Ogden association at Ogden, Nov. 12. It is expected at least 75 members from Salt Lake City will go to Ogden. The speaker will be LaVon Robinson, agency organizer Mutual Life of New York, Salt Lake City. There will also be a musical number from Reed Gammell, president Ogden association.

**Pittsburg, Kan.**—L. R. McKee of Joplin, Mo., spoke. The certificate of award for winning second prize in the activities of Life Insurance Week was awarded together with the \$75 prize.

**Columbia, S. C.**—A sales congress will be held Dec. 7. Dec. 31 will be "ladies' night."

**Little Rock, Ark.**—A monthly bulletin has been inaugurated. It is edited by J. B. Binley, manager for Guardian Life.

## Woodson Nebraska Speaker

The Insurance Institute of Nebraska held its second meeting of the season in Lincoln, with 38 in attendance. T. A. Sick, Security Mutual of Lincoln, president of the institute, was in charge.

B. N. Woodson, Life Insurance Sales Research Bureau, spoke on "Today's Challenges to Life Insurance?" Mr. Woodson divided his talk into two parts, the first being "challenges from within the business," and the second "challenges from without the business." He told of the means by which companies and the bureau are meeting these challenges.

## Hold "Clinic" on Taxation

The November meeting of the Boston Life Insurance & Trust Council was given over to a "clinic" discussion of several actual cases of life men and trust officers, with "Taxation" as the

## Lincoln National Survey of Large Insurance Buyers

Housewives and automobile dealers moved into prominent positions last month in the Lincoln National Life monthly survey of big buyers of life insurance. Housewives ranked second and automobile dealers were third, both in number of jumbo policies purchased and in total volume of insurance involved. Retail dealers led all other occupational groups in number of large policies and in total volume.

Listed according to number of big policies purchased, the occupational groups were: Retail dealers, housewives, automobile and accessory dealers, physicians and surgeons, department store officials, proprietors and managers of laundries, dentists, students, iron and steel factory managers, and oil dealers.

The groups ranked according to total volume of insurance purchased were: Retail dealers, housewives, automobile and accessory dealers, physicians and surgeons, manager of iron and steel works, department store officials, proprietors and managers of laundries, dentists, students, and oil dealers.

subject. A list of 10 questions of practical and helpful nature was prepared and others presented by members for consideration at an open discussion led by Franklin W. Ganse of the Ganse-King State Service.

Associated with Mr. Ganse for the trust side of the discussions was Henry Andrews of the Old Colony Trust Company, representing the banking interests. President I. L. Shaw of the Granite Trust Company presided at the dinner.

## How's THE MARKET?

THOUGH merely a spasmodic recession, let us hope, last month's major decline of speculative security values again sent thousands to Wall Street's "wailing wall," re-emphasized the stability of life insurance as an investment. Those who have put their faith in policy contracts needed no consultation with market reports to measure their estates.

Orchids, once more, to the "Rock in a Weary Land!" More power to those who purvey its unique benefactions!

**LIFE  
INSURANCE COMPANY of  
VIRGINIA**

Home Office: RICHMOND

BRADFORD H. WALKER, President

## VIEWED FROM NEW YORK

By R. B. MITCHELL

### TERM OF SUPERINTENDENT

The electorate in New York approved the constitutional amendment extending from two to four years the terms of office of the governor, lieutenant governor, comptroller and attorney general, the change to become operative following election next year. The present insurance law stipulates the superintendent of insurance shall hold office during the term of the governor by whom he was appointed, so under the amendment the office period will be four years instead of two, as has been the case for the past 10 years.

The New York department, in addition to the superintendent, has five regular deputies, all but one of whom are named by the superintendent, one officer coming under civil service regulation. Of the regular deputies, two are located at Albany and three in New York City. There are as well a number of special deputies designated to take care of particular duties, such as the liquidation or rehabilitation of companies taken over by the department, the handling of real estate and the like. These posts, however, are temporary and cease to exist when the conditions that called them into being have been disposed of.

### LUNCHEON FOR COMMISSIONERS

As members of a committee to arrange a luncheon for the insurance commissioners in attendance at the meeting of the National Association of Insurance Commissioners here Nov. 29-Dec. 1, Superintendent L. H. Pink has appointed C. W. Fairchild, Association of Casualty & Surety Executives, chairman; J. S. Phillips, Great American Indemnity; C. G. Taylor, Jr., vice-president Metropolitan Life; W. H. Pierson, vice-president New York Life; R. D. Murphy, vice-president Equitable Life; Col. H. P. Dun-

ham, vice-president American Surety, and A. N. Butler, vice-president Corroon & Reynolds, who will serve as secretary.

Messrs. Fairchild, Phillips and Dunham are all former commissioners, Mr. Fairchild in Colorado Mr. Phillips in New York and Colonel Dunham in Connecticut. Each in turn was president of the National Convention of Insurance Commissioners, Mr. Phillips holding the office in 1917, Mr. Fairchild two years later and Colonel Dunham in 1929. Mr. Butler was head of the fire division of the New York department for a number of years before accepting his present connection.

Mr. Pink is chairman of the executive committee of the commissioners' organization and a member of other of its important committees. The luncheon will be held at the Hotel Pennsylvania, probably Nov. 30.

### RETURNS TO CONNECTICUT GENERAL

Harold R. Tompkins, formerly a member of the field force of the Connecticut General, returns as assistant manager to its Broadway office, New York City.

### OCTOBER AGENCY FIGURES

The Charles B. Knight agency of the Union Central Life in New York City had a paid-for business in October of \$1,754,032, making a total for the ten months of \$16,849,785 as compared with \$17,676,983 for 1936.

The Fraser agency of the Connecticut Mutual Life in New York City paid for \$872,994 in October bringing its figure for the first ten months of the year to \$10,107,000 as against \$8,075,000 for the same period last year. The agency has shown a gain in nine out of the last ten months.

The H. L. Wofford agency of the Pru-

dential in New York City paid for \$394,257 in October, a 9½ percent increase. Paid business for the first 10 months is \$5,331,025 an increase of 10½ percent.

### AIDING HOSPITAL DRIVE

W. P. Kingsley, vice-president New York Life and chairman insurance companies division of the United Hospital campaign, held a meeting of his committee to discuss further plans for the life companies' part in the campaign to raise \$3,171,000 needed by the 92 voluntary hospitals in New York City and the Brooklyn Visiting Nurses Association. The division has a quota of \$15,000.

Those attending the meeting included J. P. Bradley, secretary Metropolitan Life; H. A. Ley, president Life Extension Institute; W. F. Morgan, president Church Life; R. C. Neuendorffer, secretary Guardian Life of New York; A. C. Campbell, vice-president Metropolitan Life; J. D. Craig, vice-president Metropolitan Life; B. B. Locks, executive vice-president Church Life, and A. E. Tuck, vice-president Equitable Society.

### FIFTY-FIFTH GUARDIAN YEAR

Frederic S. Doremus, manager Doremus-Haviland agency Guardian Life New York City, celebrated his 55th anniversary with the company. Agents presented Mr. Doremus with 30 applications for over \$200,000. Numerous felicitations, delivered personally and by wire, testified to the widespread friend-

ship which the dean of Guardian managers enjoys.

The name of Doremus has been associated throughout the entire history of the Guardian Life. When the company first opened its doors more than 77 years ago, its sole clerk was Cornelius Doremus, father of Manager Doremus. In 1898 he became president of the company, its second since its founding in 1860.

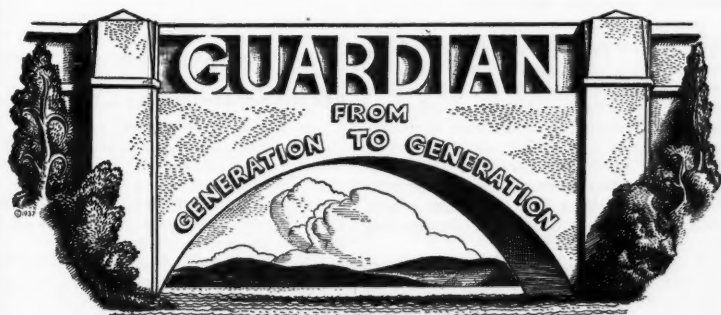
### NEW BOOK ON WILLS

The new book "Your Will and What to Do About It" comes from the press of Simon & Schuster selling at \$2. This was written by Rene Wormser of the New York bar. This is a book on wills, estates and will planning written for the layman to show him what his customary problems may be and what solutions are available and when and how to use them. It is a book of 217 pages with a comprehensive index. All the information is of a practical character. It is sold by THE NATIONAL UNDERWRITER.

### FALKENHAINER'S FORMAL OPENING

Several hundred life insurance men stopped in to wish C. O. Falkenhainer success on the day of the formal opening of his general agency of the Bankers Life of Iowa. W. F. Winterble, director of agencies, and Marvin Lewis, superintendent of agencies, represented the home office. Mr. Falkenhainer was formerly assistant manager of the life department of the 55 John St. branch

## THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY  
ESTABLISHED 1860

# 50<sup>th</sup> YEAR

## DISTINCTLY ADVANTAGEOUS

Quality Assets  
High Safety Ratio  
Record Surplus  
Competitive Rates  
Competitive Values

*We're Celebrating  
with Large Gains*

# Bankers Life

INSURANCE  
COMPANY OF

# Nebraska

LINCOLN - SINCE 1887

## REAL ESTATE AN ASSET OR A LIABILITY

Insurance companies, by no reason of choice, are now vitally interested in the ownership and control of real estate. The keen foresight of these companies retaining the properties they have acquired has had a stabilizing effect on real estate in general.

This procedure of holding during the interim of acquisition and sale does, however, necessitate the services of alert and conscientious management organizations. In today's market, years of successful experience in the practical management of real estate is necessary for this type of work. To best serve their owners, management organizations, through intelligent leasing activities, must aim toward the benefits of proper physical maintenance and increased value.

This organization, actively engaged in the business of real estate management, qualifies, and is ready and able, to serve you in the management of your properties.

### RAYMOND P. MULVANEY

*Real Estate . . Management . .*

100 WEST MONROE STREET  
CHICAGO, ILLINOIS

AGENT FOR  
100 WEST MONROE BUILDING  
MADISON-LA SALLE BUILDING  
STARK BUILDING  
AND OTHER PROPERTIES

MEMBER  
CHICAGO REAL ESTATE BOARD  
NATIONAL ASSN. OF REAL ESTATE BOARDS



## THE PRICE TAG OF SUCCESS

The price tag of success is high. It calls for work, vision, initiative and perseverance. To men with these qualities and a record of \$100,000 of paid-for personal production last year, a residence in either Pennsylvania, Delaware, New Jersey, Rhode Island or Maryland and the feeling that there is no further opportunity for growth in their present connection—we have an offer and the chance of a lifetime.

The Bankers National Life Insurance Company is giving men of this caliber opportunity to build successful general agencies and assures them that they will have every help and promotion to make that success a reality.

If you are interested and feel that you can meet our qualifications, then write to William J. Sieger, Vice President and Superintendent of Agencies—today.

## BANKERS NATIONAL LIFE INSURANCE COMPANY

MONTCLAIR,

NEW JERSEY

office of the Travelers in New York City, before becoming general agent for the Bankers Life.

Opening of Mr. Falkenhainer's office gives the Insurance Company of North America's modern and attractive New York building four life insurance offices in addition to the home office of the North American Reassurance. The others are the C. D. Connell agency of the Provident Mutual; the L. A. Cerf, Jr., agency of the Fidelity Mutual; and the J. J. Gordon agency of the Home Life of New York. The North America building is located at 99 John Street, in the heart of the insurance district and most of its tenants are insurance or allied concerns.

### SALES CONGRESS FEATURE

An additional feature of the New York City Sales Congress Nov. 18 will be a demonstration of home office underwriting by Marshall Cleaves, assistant supervisor of applications Home Life of New York. Mr. Cleaves will take two apparently similar applications and show how the home office because of additional information it turns up may accept one and decline the other.

### BURNS SUCCEEDS ADAMS

T. J. Burns, assistant cashier of the Equitable Society's New York City area, has been advanced to cashier, succeeding the late Archibald Adams who died Oct. 20. This office handles about 25 percent of the company's entire business. Mr. Burns joined the Equitable in 1920. He served in Cincinnati, Minneapolis and Milwaukee, and was traveling auditor before his appointment as assistant cashier at the home office in 1928.

### MANAGERS' CONFERENCE, DINNER

The New York City Life Managers Association will hold its annual business conference Dec. 2 at 2:30 at the Waldorf-Astoria followed in the evening by a dinner in honor of company officers who will be in the city for the Life Presidents Association annual meeting. Members of the managers association are privileged to invite any officials of their companies.

At the business session O. Sam Cummings, president National Association of Life Underwriters and general agent Kansas City Life at Dallas, will conduct a forum on planning a year's agency program. Dr. Verne Steward will talk on "How to Make the Business More Attractive," presenting new developments in the selection of agents. A short business meeting will be held immediately after this program.

C. L. McMillen, president of the managers association will be toastmaster at the dinner. An unusual program of music and entertainment is promised. H. Arthur Schmidt, general agent New England Mutual, is chairman of the dinner committee.

### SPONSOR MOTION PICTURE

"Make Way for Tomorrow," the motion picture based on the book, "Years Are So Long," will be shown at the Bellevue theatre, Montclair, N. J., Dec. 6, through the efforts of New York City and New Jersey life insurance men living in Montclair. The picture has a strong life insurance message along retirement annuity lines. The picture tells of the tragedy that besets young people faced with the problem of supporting their aged parents.

W. H. King, supervisor Allen & Schmidt agency, New England Mutual Life, New York City, is chairman of the committee which has arranged for the showing of the picture and which is undertaking the distribution of 300 tickets. "Make Way for Tomorrow" is a full length picture and will be part of the theatre's regular program. The general public will be admitted as usual, since the theatre's seating capacity is far in excess of the 300 tickets to be distributed by the life insurance men. The project is under the joint auspices of the New York City Life Underwriters Association and the Northern New Jersey Life

Underwriters Association. A printed program will be distributed giving the names of the committee and stating that the picture has been brought to Montclair under the auspices of the two associations. Efforts are being made to have the picture shown in other suburbs of New York City.

### OTT AGENCY THE LEADER

The A. V. Ott Agency of the Equitable Society led the entire metropolitan area for October. This is the ninth consecutive month in which the agency has shown an increase over 1936.

### JOHN J. KING'S DINNER

John J. King, president of the Hooper-Holmes Bureau of New York City, will give his usual dinner during the Life Presidents week in honor of the new president of the American Life Convention, who happens to be this year Harry R. Wilson, vice-president American United Life of Indianapolis. Mr. King will hold forth at the New York Athletic Club the evening of Dec. 1.

## CHICAGO

### METROPOLITAN MEN IN CHICAGO

A. C. Campbell, second vice-president group department, and E. C. McDonald, assistant secretary in charge of group annuities, of the Metropolitan Life, were in Chicago this week conferring with E. R. Seese, group manager.

### HUGHES REARRANGES OFFICE

The E. W. Hughes general agency of the Massachusetts Mutual Life in Chicago is rearranging its offices to provide for six new private offices for agents and a more attractive entry which will insure privacy for the agents in the outer office. Mr. Hughes is at the home office in Springfield this week attending the general agents' conference.

### ZIMMERMAN IN ADDRESS

C. J. Zimmerman, general agent Connecticut Mutual, Chicago, and secretary National Association of Life Underwriters, addressed the Life Agency Supervisors Club on "What of 1938?" He is a noted underwriter and speaker on effective methods in the business. He outlined plans for a year's work for a supervisor. B. J. Groves, Travelers, president, presided.

Mr. Zimmerman advised each supervisor to carefully plan a long range program covering 1938 activities and then devise methods with which to carry out that program and the objective set-up. He cautioned the supervisors on their responsibility not only to new men inducted into the life insurance business, but to the public as well. He stated that no life insurance man had the right to expect any prospect to give him of his time unless he came prepared with information of value or a service of importance to that prospect.

### RECEIVES ADDITIONAL FUNDS

An additional income of \$30,000 for 1937 was secured by a special committee of the Association of Life Agency officers for the American College at a recent meeting in Chicago. A plan was also formulated under which an increased income is assured.

The fund will enable the American College to work more closely with the study group and assist in further group establishment. It will be able to cooperate more closely with colleges and universities now assisting in the C. L. U. program and to supply texts and other material as well as additional aids to teachers and leaders. In conformity with recommendations of the agency officers committee, the board of directors of the American College changed the rule respecting examination fees to provide that after July, 1938, the fees required of all new candidates taking examinations be doubled, which will be \$20

hereafter. Since the increase will come out of the fund set up by the companies, there will be no actual increase paid by the agent.

#### NEW SEITZ AGENCY ASSISTANT

Raymond H. Kahlar has been appointed agency assistant of the Walter M. Seitz agency Kansas City Life, Chicago. Mr. Kahlar comes from the Continental Assurance and was formerly connected with the Fidelity Appraisal Co. He is a graduate of the Y. M. C. A. College.

Mr. Kahlar will augment the brokerage staff under the supervision of Mr. Seitz and Walter S. Letzsch, assistant manager, who was recently promoted to this position. He has been affiliated with the agency for two years. Louise M. Okrezik is statistician and Mabel Denby, cashier.

The Seitz agency has recently undergone a period of reorganization and expansion.

#### HALL IS DISTRICT MANAGER

Carder Hall has been appointed district manager in Chicago for the Reliance Life, to head his own sales organization in south side territory, but maintaining offices in the Illinois department

headquarters, 100 North La Salle street. Mr. Hall formerly was in supervisory work, installing savings and life insurance plans in banks throughout the middle west, then for more than 10 years was in charge of the new business department of the Live Stock National Bank, Chicago. Early this year he returned to life insurance work.

#### CONTINENTAL CLUB MEETINGS

The Continental Club, composed of department heads and assistants at the head office of the Continental Casualty and Continental Assurance in Chicago, holds monthly luncheons. Arnold Keller, treasurer of the International Harvester Company, was the speaker at the current meeting. The club entertained the members of its baseball team, who qualified in the quarter finals in the Grant Park League and the Y. M. C. A. League. At the next luncheon Dr. H. W. Dingman, vice-president and medical director, will be the speaker.

#### LUSTGARTEN AGENCY LEADS

Volume in excess of \$1,300,000 put the Samuel Lustgarten agency of the Equitable Society in Chicago in first place for October. The total was \$500,000 more than was produced in October, 1936, paid

business for the year being \$11,675,000. This exceeding the first ten months of last year by over \$400,000.

All agents contributed, 28 members producing \$10,000 or more each.

#### RESIGNS AS ASSISTANT MANAGER

B. D. Wheeler has resigned as assistant manager of the Chicago branch of the Acacia Mutual and will devote his full time to personal production for that company. He ranks second in paid-for business in the Chicago branch and is among the leaders in national standing. He received his C. L. U. designation in 1932.

#### Retirement Plans of Lincoln National, Western & Southern

(CONTINUED FROM PAGE 2)

insurance for each employee, sickness benefits and nursing service.

A committee of five has been appointed by President Hall to administer this retirement system. The personnel of the committee is as follows: R. F. Baird, vice-president and general counsel, chairman; C. J. Cover, assistant counsel; M. C. Ledden, chief accountant; Elizabeth L. O'Rourke, manager of office administration, and R. G. Stagg, associate actuary.

#### WESTERN & SOUTHERN PLAN

More than 90 percent of Western & Southern Life home office and field employees have voted in favor of the proposed pension plan under which the company would contribute \$1,400,000 to

its employees to make it effective for all employees at retirement age beginning Jan. 1, 1938. Retirement age is 60 for women and 65 for men. The company will also pay more than half of the sum necessary to sustain the pension plan from year to year, the balance to be paid by employees who pay 2 percent on salaries up to \$3,000 and 4 percent on salaries exceeding that amount. Death benefits, sick benefits for a period of one year, and old age pensions supplementing social security pensions giving an estimated 60 percent of the annual salary of an employee making \$3,000 or less annually are provided. Approval of 90 percent of the employees was required to put the plan in operation.

W. H. Lueders, oldest director of the company, presented President C. F. Williams with a platinum wrist-watch, gift of the employees, at a conference of 350 fieldmen called to the home office to discuss the proposed plan.

#### Attorney Is St. Louis Speaker

Walter Mayne, St. Louis insurance attorney, spoke on "What St. Louis Life Insurance Salesmen Should Know About Missouri Insurance Law" in the sales training course conducted jointly by the General Agents & Managers Association and the Life Underwriters Association of St. Louis.

The local sales training course is the biggest educational medium ever undertaken by the life insurance business there and has already won national recognition.

How to Win Friends and Influence People—by Dale Carnegie. \$1.96. Order from The National Underwriter.

## ACTUARIES

### CALIFORNIA

Barrett N. Coates Carl E. Herfurth  
**COATES & HERFURTH**  
CONSULTING ACTUARIES  
322 Market Street 437 S. Hill Street  
SAN FRANCISCO LOS ANGELES

### INDIANA

Haight, Davis & Haight, Inc.  
Consulting Actuaries  
FRANK J. HAIGHT, President  
Indianapolis, Omaha, Kansas City

### ILLINOIS

HARLEY N. BRUCE  
Consulting Actuary  
Insurance Center Building  
338 So. Wells Street  
Chicago, Illinois  
Wabash 5818

HARRY C. MARVIN  
Consulting Actuary  
307 Peoples Bank Building  
INDIANAPOLIS, INDIANA

### MISSOURI

T. C. RAFFERTY  
Consulting Actuary  
Actuarial, Agency and  
Management Problems  
915 Olive St. St. Louis, Mo.  
Tel. Chestnut 1437

### NEW YORK

MILES M. DAWSON & SON  
CONSULTING ACTUARIES  
500 Fifth Avenue New York City

Established 1885 by David Parks Fackler  
**FACKLER and BREIBY**  
Consulting Actuaries

Edward B. Fackler William Breiby  
8 WEST 40TH STREET NEW YORK

### PENNSYLVANIA

FRANK M. SPEAKMAN  
CONSULTING ACTUARY

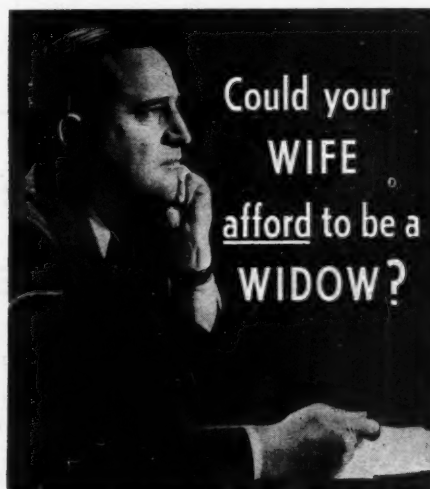
Associates  
Fred E. Swartz, C. P. A.  
E. P. Higgins  
THE BOURSE PHILADELPHIA

### CONOVER, GREEN & CO.

Actuarial and Insurance Consultants  
120 South LaSalle Street, Chicago  
Chase S. Conover Telephone  
Walter C. Green FRANKLIN 3868

HARRY S. TRESSEL  
Certified Public Accountant and  
Actuary  
10 S. La Salle St., Chicago

Associates  
M. Wolfman, A. A. I. A. Franklin 4020  
N. A. Moscovitch, Ph. D.  
L. J. Lally



Could your  
WIFE  
afford to be a  
WIDOW?

How quickly would the loss of you and your income leave your wife without money to meet the bills? As your widow, how long could your wife afford a pleasant home? ... Could she afford school expenses for your children? ... could she afford to be your widow?

"Yes" is the answer if you adopt our Family Income Plan that assures money every month to your family and also provides funds for the

education of your children. And the dollars placed under this plan do double duty, because they also guarantee to you a Monthly Income for Life if you live to retirement age... so that you can afford to enjoy your retirement years.

Write for our illustrated brochure with complete details of this plan. You may learn something that will affect all the rest of the years of your life. Send the coupon.

### BANKERS LIFE COMPANY

DES MOINES  
A Mutual Legal Reserve Life Insurance Company • Established 1879

FREE PLAN...SEND COUPON

How to make YOUR DOLLARS DO DOUBLE DUTY

Bankers Life Company, Des Moines, Iowa  
Please send me your Double Duty Dollar Plan.

Name \_\_\_\_\_ Age \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

Reproduction of our advertisement appearing in the December issue of Better Homes and Gardens.

## WOODMEN OF THE WORLD

### Six Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income
- Juvenile

These contracts are participating, and provide all standard non-forfeiture options.



Operating for forty-six years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars and open territory to

**PETER F. GILROY, President**  
1447 TREMONT PLACE  
DENVER, COLORADO

## LEGAL RESERVE FRATERNALS

### Special Committee Is Named

To Meet with Commissioners Group in New York on Various Matters Concerning the Proposed Code

A special committee of the National Fraternal Congress has been designated by Mrs. Dora Alexander Talley, president, head of the Woodmen Circle, Omaha, to meet with a special committee of the commissioners some time during the National Association of Insurance Commissioners meeting in New York City, Nov. 29-Dec. 1.

Rainey T. Wells, Woodmen of the World, Omaha, is chairman, the other members being A. W. Fulton, Security Benefit, Chicago; H. L. Ekern, Chicago, president Lutheran Brotherhood; E. J. Jeffries, Jr., Maccabees; Fred A. Service, Protected Home Circle; J. M. Miller, Chicago, Woman's Benefit; T. H. Cannon, head of the Catholic Order of Foresters, Chicago, and A. R. Talbot, president Modern Woodmen.

No special agenda for the week is scheduled, the purpose being mainly, it is said, to secure closer cooperation and better understanding of various problems. Most of the time will be spent in discussing the proposed uniform fraternal code.

### Executive Committee Meets

The N. F. C. executive committee also will hold a session in New York during the commissioners' convention. This is headed by Mrs. Talley, with C. I. Biggs, Maccabees, as vice-president, the other members being Walter C. Below, president Fidelity Life; A. O. Benz, head of the Aid Association for Lutherans; S. H. Hadley, president Protected Home Circle; Joseph L. Kania, president Polish Roman Catholic Union, Chicago; Farrar

Newberry, Woodmen of the World, Omaha, and Miss Frances D. Partridge, secretary Woman's Benefit.

It is likely that the fraternal section in the proposed New York insurance code will be discussed during the New York meeting. There are some provisions, it is said, that fraternal leaders would like to have eliminated. The fraternal code, however, has not come up for formal hearing. A special N. F. C. committee was appointed to take this matter under consideration.

### Wilmeth Elected President of Pennsylvania Congress

PITTSBURGH—J. M. Wilmeth, Junior Order United American Mechanics, Philadelphia, was elected president of the Pennsylvania Fraternal Congress at the annual meeting held here. Commissioner Hunt of Pennsylvania, Mrs. Dora Alexander Talley, president National Fraternal Congress and head of the Woodmen Circle, Omaha; H. B. Meixel, Philadelphia, secretary-treasurer of the congress and a director and member executive committee, Insurance Federation of Pennsylvania; F. M. Speakman, Philadelphia, consulting actuary; H. W. Teamer, secretary-treasurer and manager of Pennsylvania Insurance Federation, and Judge G. L. Schramm, Allegheny county juvenile court, were on the program.

Other new officers are: First vice-president, R. F. Mahaney, Woodmen of the World, Harrisburg; second vice-president; Mrs. H. Orma Chamberlain, Royal Neighbors, Ridgeway, Pa.; secretary-treasurer, Mr. Meixel (re-elected).

Members of the executive committee elected were Francis Tapitch, United Societies of Greek Catholic Religion of the United States, Pittsburgh; F. A. Service, Protected Home Circle, Sharon, Pa.; A. P. Cox, Artisans Order of Mutual Protection, Philadelphia; L. L. Littman, Standard Life, Baltimore; J. F. Gloeckner, Maccabees, Pittsburgh; Barbara M. Schmalzreid, Woodmen Circle, Pittsburgh; John Mosich, Greek Catholic Union, Pittsburgh; F. J. Lokar, Grand Carniolan Slovenian Catholic Union, and Ruby Yelinek, Zivena Slovak Beneficial.

### South Dakota Congress Meets

Officers of the South Dakota Fraternal Congress elected at the annual meeting are: Past president, Pearl Fisher, Sioux Falls, Woodmen Circle; president, Mrs. Belle Zepp, Huron, Royal Neighbors; secretary-treasurer, R. N. Campbell, Huron, A. O. U. W., and chairman legislative committee, E. R. Loomer, I. O. O. F.

### Goeglein New President

The Indiana Fraternal Congress held a two-day session at Indianapolis, H. P. Goeglein, Fort Wayne, Aid Association for Lutherans, being elected president. Other new officers are: First vice-president, J. B. Brown, Indianapolis, Woodmen of the World; second vice-president, John Murray, Indianapolis, Protected Home Circle; third vice-presi-

dent, A. L. Zivich, East Chicago, Croatian, Catholic Union; fourth vice-president, J. R. Trout, Indianapolis, Modern Woodmen; secretary-treasurer, Elizabeth Himes, Indianapolis, Ben Hur Life. Resolutions were adopted creating committees to organize all members of Indiana fraternal to create a group that will defend their present legal position as fraternal benefit societies.

### Report on Czechoslovak Society

The Illinois and Ohio departments have rendered their report of examination of the Czechoslovak Society of America, 2137 Lombard avenue, Cicero, Ill. This is a fraternal and the examination is as of Dec. 31. Its assets are \$3,169,722, surplus \$445,199, ratio of solvency 115.31. The report says the society is economically managed and in sound condition. Its mortuary funds are approximately 115 percent solvent. The mortality ratio for the last four years has not exceeded 96 percent and last year it was 93.23 percent. The society issues life and endowment policies from ages 16 to 50 inclusive and mortuary assessments are based on the American 4 percent table. The maximum policy is \$3,000. It issues juvenile policies from birth to age 16. Agents are employed under contract providing commissions on first year premiums of \$12 per \$1,000 insurance if the agent secures the application alone, or \$7 per \$1,000 on business secured together with a member. No commission is paid on renewals. Income from members last year was \$540,771, total income \$692,672, paid policyholders \$412,806, total disbursements \$508,965. It has in force \$15,782,548.

### Mrs. Cassidy New President

Farrar Newberry, secretary Woodmen of the World, was chief speaker at the annual meeting of the Tennessee Fraternal Congress in Jackson. Mrs. Clara B. Cassidy, Tennessee and Georgia manager Woodmen Circle, was elected president and Mrs. Pearl I. Rhoades, Ben Hur Life, secretary-treasurer.

### Iowa Congress Elects

John Rompotl, Western Bohemian, was elected president of the Hawkeye State Fraternal Congress, which was re-titled Iowa Fraternal Congress at the annual meeting in Waterloo. Other new officers are: Vice-president, D. J. Shaw, Security Benefit; second vice-president, Mrs. J. T. Hazel, Ben Hur; secretary-treasurer, T. J. Graves, Homesteader; executive committee—R. W. Schultz, Aid Association for Lutherans; Lyle Brown, Modern Woodmen; W. E. Solomon, Woodmen of the World; Fred Walton, A. O. U. W. of North Dakota. President Bradley C. Marks of the latter society installed the new officers. Walter T. Below, president Fidelity Life, extended greetings from the National Fraternal Congress. Mr. Marks was one of the speakers.

### Mrs. Holiway Is Elected

The Alabama Fraternal Congress will meet in Montgomery, Nov. 18. Ethel Holiway, treasurer, Woodmen Circle, is president and will preside. Mrs. Dora Alexander Talley, president National Fraternal Congress and head of the Woodmen Circle, is on the program and also Insurance Commissioner Frank Julian of Alabama.

## What Is Legal Reserve Fraternal Life Insurance?

(This is the fourth of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

4. Social activities and charitable work are made available for those members who wish to take part. Many fraternal operate homes for aged members or hospitals. Rapidly growing juvenile departments provide excellent opportunities for children to take part in lodge work and social events.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

## BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,  
President

Edwin M. Mason,  
Secretary

## PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

### A Legal Reserve Fraternal Insurance Society

S. H. HADLEY Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

# SALES IDEAS AND SUGGESTIONS

## Careful Selection, Training Builds Leading Agency

By GEORGE E. WOHLGEMUTH

When an agency has been built up through the depression to a point where it is one of the leaders among the 69 agencies of a large company, the man who is responsible for its growth is certain to have some interesting ideas. The agency is that of Guy D. Randolph, general agent for the New England Mutual, who nine years ago went to Cincinnati as a stranger to develop an agency for his company, practically from scratch.

Mr. Randolph's territory includes a number of counties in southern Ohio. There are 35 men in the agency, 20 of whom are located at Cincinnati. Three of the men have been in the agency nine years, since Mr. Randolph took charge, six have been with the agency five years, exclusive of the first three, and nine have had one year's experience or less. The average age of the men is about 35.

### Selection Major Problem in Building an Agency

The major problem in building an agency, Mr. Randolph believes, is in selecting good men. During the depression, he laid the foundation of his agency with high grade men. New men are carefully trained and supervised. Prospective agents are given a psychological test taking an hour and twenty minutes. The background of each is carefully investigated—what his family connections are, what he liked to do in school, what organizations he is active in, etc. Mr. Randolph says that he will guarantee the success of any man that will pass the tests and is advised to go into the business who will follow out his instructions. The difficulty for the general agent lies in getting the right men and getting them to follow instructions and the answer to these problems has not been found. It lies within the agent. If an agent is getting along successfully using his own methods, Mr. Randolph does not attempt to dictate to him what he shall do or attempt to change his methods.

### Makes Close Study of Each Agent's Work

Mr. Randolph makes a close study of each agent's work. At any time he can give the following information on each of his agents for both the current and preceding years: Paid for business, premiums, average policy, average premium per collection, average premium per \$1,000. After an analysis, Mr. Randolph decided that he would establish a \$4,000 average policy size, a \$48 premium per collection, and a \$120 annual premium as his goal. If the premium was less than \$33 per collection, he figured he would lose money. It cost 80 cents to collect a premium. Last year the agency's average collection premium was \$62.96.

### New Man Is Taught All the Fundamentals

A new man, Mr. Randolph feels, should make a living, his required earnings varying according to his individual circumstances such as the size of his family, other income, etc. The new agent is put through an intensive three weeks' training course or school. In that time he is taught fundamentals, prospecting, getting information from prospects, making up simple programs, and closing. He is taught to approach a prospect from the point of view of property. Everyone is interested in property and

the discussion is turned into the channel of an explanation of life insurance as property. He is furnished with a comparatively simple program for a man 35, wife 33, and child 5, with \$10,000 life insurance. Following up this, he may show what \$10,000 additional insurance will do.

### Urges Men to Work for C. L. U. Designation

Mr. Randolph believes strongly in prestige building. He encourages his men to work for the C. L. U. designation because it enhances the prestige of the agent. Ten of the men in the agency are C. L. U.'s, more than in any other agency of the company. Mr. Randolph said that he felt an agent should not mention the name of his company the first call unless he is asked directly by the prospect. When the agent has pre-

sented a program that interests the prospect, he can then emphasize the strength and stability of his company and the advantages which its policyholders enjoy and the facilities he has to offer.

Starting at Williamson, W. Va., where he had been in the oil business, 16 years ago, Mr. Randolph shortly afterward moved to Huntington, W. Va., where he represented the Northwestern Mutual as district agent for three years, and was then appointed state agent for the National Life of Vermont three years. His district agency produced \$1,000,000 the first year in Huntington, \$500,000 of this being personal business. As state agent for the National Life he doubled the business of an established agency the first year. The Cincinnati agency ranks ninth in production among all agencies of the New England Mutual for 1937 through August. Cincinnati ranks sixth in production among all cities in which the company has agencies.

The spirit of the Cincinnati agency is shown by the fact that following the lifting of the bank moratorium in 1933, the agents secured more applications than at any previous time in the agency's history. Mr. Randolph believes that an agent should be courageous, resourceful and ambitious. He typifies that spirit.

## Inflation Talk Calls Forth Some Good Arguments

John W. Yates, general agent Massachusetts Mutual Life, delivered a prize winning address on "Inflation" before the life insurance forum of Los Angeles. Five leading producers talked on the subject and contested for the prize. The talk was in the form of an address to a supposed prospect for life insurance.

"You know," he said, "in America people simply must have something to get excited about every so often. For a while it was technocracy, after that chain letters, then inflation came along, but we rarely hear anything about that any more. I came to talk with you today about a far more important subject, 'must dollars'—that is, the dollars you must have at 65 and the dollars your family must have if you are not here to earn them."

He then asked the prospect if he could help figure out the number of dollars required, the smallest number he would like to have at 65, the smallest number his family must have each month if he were not here to earn them, how much would be required to liquidate any credit the prospect had used such as the mortgage, what amount would be needed to pay the last expenses of illness and how many of these dollars have already been provided.

### Two Kinds of Dollars

"Mr. Prospect," he continued, "there are really only two kinds of dollars, little dollars and big dollars. Little dollars are the ones you deposit each year in premiums and come off the top of your income after other expenses have been paid. These are the dollars that are not absolutely necessary for you and your family to use for other purposes but when these dollars are returned to you in later years at compound interest they become big dollars. No longer are they dollars from the top of your income which were not needed for other things, but, rather, they become first dollars replacing your entire income; therefore, they are big dollars." He assured the prospect the main point was that the dollars invested would absolutely be paid out but if he were disturbed as to how much they will buy, Mr. Yates

suggested doubling the amount of the application.

"Mr. Prospect, many years ago man made the very great discovery that his eating years are much longer than his earning years, and on the average a man must provide for 12,146 meals after he is 65. If a man is married, his wife may also have some ideas about eating so let's arrange now for the guarantee of these meals so that when the earning years are over there will be no yearning years to follow. Man also made the discovery that a life insurance contract offers him the only way he can will money which he may never live to earn. It gives a man a chance not to break faith with the people he had breakfast with this morning."

### Hedging Against Inflation

If the prospect says he is going to hedge against inflation by putting money in real estate, stocks or bonds, Mr. Yates puts forth the question as to what

particular parcel of real estate, stocks or bonds is going to be selected in order to make certain that the value will not shrink. He asks, "How do you know you or your family can get your dollars back when you want them? Instead of trying to select one or a few parcels of real estate, a few bonds or other securities to invest in, why not consider buying a cross section of my company's total investments, which now total around \$600,000,000 and get the benefit of safety both as to principal and interest return? The average yield has been around 4½ percent during the last 86 years, always with 100 percent safety of principal."

### Diversification Shown

Tearing off a small corner of several pages of the company's schedule of securities, Mr. Yates then points out to the prospect that by putting his money in life insurance he is buying a cross section of \$123,000,000 of mortgages on income producing business properties located in 30 states, in the principal business cities and on the principal streets of these states. He then lays down one of the small pieces of paper torn off the schedule of securities, repeating the process as he calls off the other investments. He says: "This represents your share of \$40,000,000 of government bonds; this, your share of \$93,000,000 of railroad bonds; this, your share of \$86,000,000 of electrical power and light bonds, etc. When you have made your first down payment of \$300 on a \$10,000 block of these securities, my company will insure the other \$9,700 of your investment against loss as a result of death or disability during the next 12 months and guarantee to buy back the securities from your wife and children or estate for \$10,000." He asks the prospect where he can beat such a return for the must dollars that he must have if not here to provide.

If a prospect says he does not want to tie himself up to a long time contract, Mr. Yates points out that any permanent form of life insurance policy is a year to year contract, and commencing with the second year, each premium is invested in a fixed amount of single premium insurance which is paid up for life whether any more premiums are paid or not.

"Suppose the same thing happened here that happened in Germany, although, Mr. Prospect, no one is justified in making any such supposition in the opinion of all leaders in financial thought." In answering this question

(CONTINUED ON NEXT PAGE)

## Must Answer: "Who Is This Guy"

"The prospect's first thought as you enter his office is—'Who is this guy?'" said H. E. Belden in discussing prestige building before the Los Angeles Life Insurance Forum. "If your name means nothing to him he will use any excuse to get rid of you or to not see you at all. But if your name carries enough prestige he will see you if it is at all possible to do so. In preparing ourselves to meet this situation, the first essential is that we should be able to deliver the goods."

"At the present time there seems to be developing some conflict as to the relative merits of knowledge and contacts," said Mr. Belden. "Without getting into a debate on that subject, I would like to say that there can be no lasting success without true knowledge and genuine ability. Regardless of how good our contacts may be, we will get little benefit from them unless our knowledge and skill is such that those contacts may be properly developed. My first prestige building activity therefore, was

and still is the job of acquiring the knowledge, and doing a type of work for my clients which will entitle me to a little prestige. My second job is, through preapproach work, to develop some prestige with people whom I have reason to believe may be my prospects in the future. To most of us preapproach work means finding out everything possible about the prospect. I am a great believer in this usual type of preapproach work, but I also spend considerable time and thought so as to be sure that the prospect has found out a good deal about me. Of course it is not always possible to a preapproach 'build-up.' In these cases the prestige must be built within the interview. Self-confidence is perhaps of prime assistance. And self-confidence does not mean conceit. It means the confidence born of knowledge and backed up by accomplishment."

Other speakers at the forum were Russell L. Hoghe, G. M. Paden, and R. S. Babcock.



**"LOOK HOW I SAVED \$40\* AND 2 BIG DEALS Flying BRANIFF to CHICAGO"**

\*(WORTH OF TRAVEL TIME)

**ANOTHER TOUGH BREAK! TWO DEALS UP TOMORROW, 600 MILES APART. NO WAY TO BE BOTH PLACES.**

**WHY NOT FLY BRANIFF?**

**THAT'S IT! I COULD MAKE BOTH CALLS TOMORROW! WHERE'S THAT BRANIFF TIME TABLE?**

**2 DAYS LATER:**

**GREAT IDEA, CHIEF! I GOT THERE FIRST AND GOT BOTH ORDERS! GOOD WORK, JONES! WE'LL DO MORE BUSINESS FLYING BRANIFF.**

You, too, can save extra days and hours of business time, to and from the Great Southwest—(Chicago to Brownsville and Mexico). Fly Braniff's finer, faster Douglas B-Liners. Get there first and get the business! Call your Braniff ticket agent, or any airport, hotel, travel or telegraph office.

**BRANIFF**  
DOUGLAS B-Liners

## Inflation Talk Calls Forth Some Good Arguments

(CONT'D FROM PRECEDING PAGE)

Mr. Yates shows that in Germany there was no possibility of hedging and those who tried to hedge with real estate found it so heavily taxed and the rents so low that they lost the property any way.

"When this country gets to the place that the assets of my company and the dollars we pay out are worth nothing, you can take the United States Treasury in Washington with all the billions of dollars of gold and dump them in the middle of the Atlantic as they won't be worth anything either," he said.

### Fortune on Instalment Plan

"I am giving you today an opportunity to purchase a fortune on the easy instalment plan, without any interest on the unpaid portion; with no taxes while you are accumulating it; and with the guaranty that we will complete the payments and buy back the entire investments of the family at 100 percent on the dollar (and not what you paid for it) if you do not live to complete the payments as a result of disability or death," Mr. Yates concludes.

## Broad Authority of Illinois Insurance Director Viewed

(CONTINUED FROM PAGE 5)

limit should have been established. The federal bankruptcy act recognizes state exemption laws, so under the code it will be possible for assured to go through bankruptcy, holding large sums free from the claims of creditors. The unlimited exemption, Mr. Havighurst declared, should help to sell insurance, but it is not in the public interest.

### Some Objections Remain

Mr. Havighurst also criticized the failure of the code to prohibit the organization of new burial societies, as it did with mutual benefit associations. He expressed the fear that the prohibition of mutual benefit associations may only add to the number of newly organized burial societies, and stated that political pressure was responsible for the salvation of the latter.

Omission of an article on agency licensing requirements was due, stated Mr. Havighurst, to the desire to avoid giving the legislature an opportunity to make amendments to the 1935 licensing act. The present act, he declared, has cured some of the constitutional objections to the old act, but there are some points which are still in doubt.

## Life Presidents' Program Has Much to Commend It

(CONTINUED FROM PAGE 1)

the Metropolitan Life will be the speaker. He has been a member of his home office staff since 1911, was made assistant medical director in 1916 and director in 1934.

President M. A. Linton of the Provident Mutual will be another life insurance president on the program, he appearing on this occasion as an agency man. He will discuss the activities of the selling forces and call attention to agency contribution to life insurance responsiveness. He is president of the Actuarial Society of America.

As is usual the association invites the president of the National Association of Insurance Commissioners to represent that body on the program. This year George A. Bowles of Virginia occupies that exalted position. He was a member of the Virginia legislature for 15 years and then in 1930 was appointed deputy commissioner. The detailed program is as follows:

Gerard S. Nollen, chairman, president Bankers Life, Des Moines.

Address by Charles A. Dunning, minister of finance Dominion of Canada, Ottawa.

"Insurance Supervision—Its Responsibilities and Its Responses," George A. Bowles, president National Association of Insurance Commissioners, superintendent of insurance of Virginia.

"1937 Mortality Trends—A Review of Ten Months' Experience," Dr. Charles L. Christiernin, medical director Metropolitan Life.

Address by Dr. Thomas Parran, surgeon-general United States Public Health Service, Washington, D. C.

"The Response of Life Insurance Funds to American Needs," Michael J. Cleary, president Northwestern Mutual Life.

"Seven Years of Performance—A Life Insurance Response," John R. Hardin, president Mutual Benefit Life.

"The Public's Interest in Public Utility Management," Clyde O. Ruggles, Ph.D., Professor of Public Utility Management, Harvard Graduate School of Business Administration.

"Our Agency System—the Response to a Need," M. Albert Linton, president Provident Mutual Life, president Actuarial Society of America.

"Utilization of Agricultural Products," Orland R. Sweeney, Ph. D., head of chemical engineering department Iowa State College, Ames, Ia.

Address by Alfred P. Sloan, Jr., chairman of the board General Motors Corporation, New York.

"The Problem of the Prolongation of Life," Dr. Alexis Carrel, member Rockefeller Institute, New York.

"Public Duty in Law Enforcement," John Edgar Hoover, director Federal Bureau of Investigation, United States Department of Justice, Washington, D. C.

Messages of greeting from American Life Convention, Canadian Life Insurance Officers Association, National Association of Life Underwriters.

## C.L.U. NEWS

### DETROIT CLASSES START

Nearly 50 attended the first of a series of 30 classes sponsored by the Detroit C. L. U. chapter. The classes will cover "Life Insurance Fundamentals" and "Life Insurance Salesmanship," in preparation for Parts I and II of the C. L. U. examinations. H. H. Irwin, insurance instructor, University of Michigan, is conducting the study group.

### KENAGY THE SPEAKER

H. G. Kenagy, superintendent of agencies Mutual Benefit Life, will be the speaker at the New York City C. L. U. November luncheon next Wednesday at the Hotel Martinique.

### HEAR SIMON IN PHILADELPHIA

At the monthly luncheon meeting of the Philadelphia C. L. U. chapter Leon Gilbert Simon, Equitable Society, New York, spoke on "Business Insurance."

### MILLIONAIRES GIVE TALKS

Two Million Dollar Round Table members spoke to the Los Angeles C. L. U. chapter. H. G. Mosler, who is also vice president of the Los Angeles association, and Ron Stever, Equitable Society, president of the Pasadena association, spoke on interesting cases culled from individual experience.

### CLEVELAND COURSES START

The Cleveland C. L. U. chapter has started its instruction classes. Instructors in life insurance are Russell Thierbach, general agent Northwestern Mutual; Warren Smith, general agent Northwestern National, and Earle Brailley, general agent New England Mutual. Economics is being taught by Prof. A. C. James of Western Reserve University, and law by Prof. C. M. Finck of Western Reserve.

### Life Company Records

Provident Life & Accident—To mark the birthday anniversary of R. L. MacLellan, vice-president, life producers submitted \$100,000 more business than the previous all-time high mark for a single day's total. The business was well scattered throughout the entire Provident

territory, embracing 35 states, and the average policy size ran unusually high.

**United States Life**—It reports 47.2 percent increase for October and a 26.2 percent increase for the first 10 months Oct. 20 marked the completion of C. V. Starr's first year as president.

## Headline Regarding Advance Premiums Was Too Sweeping

Confusion in regard to the Wisconsin ruling against withdrawable premium deposits was caused by the headline which read "Advance Premiums Barred in Wisconsin by Bank Law." This is entirely too sweeping. The ruling of the attorney-general which was reported did not imply that the ordinary practice of paying premiums in advance was barred. The purport of the ruling was that a policyholder could not be allowed to use his premium account as a bank account. Former rulings to the same effect were reaffirmed and there was no intention to extend them.



**one IS A PREFERRED RISK**

## Can You Offer Him a Low Cost Policy?

General Mutual's preferred risk policy belongs in your portfolio. Why? Because it enables you to meet competition—when you're talking to the thrifty buyer of life insurance. . .

**write- THE GENERAL MUTUAL LIFE INSURANCE CO.**

**VAN WERT, OHIO**  
**C. M. PURMORT, President**



**FOR AGES TO COME**

**Security Mutual Life**

**"It Pays"**

**Insurance Company**  
BINGHAMTON, N. Y.